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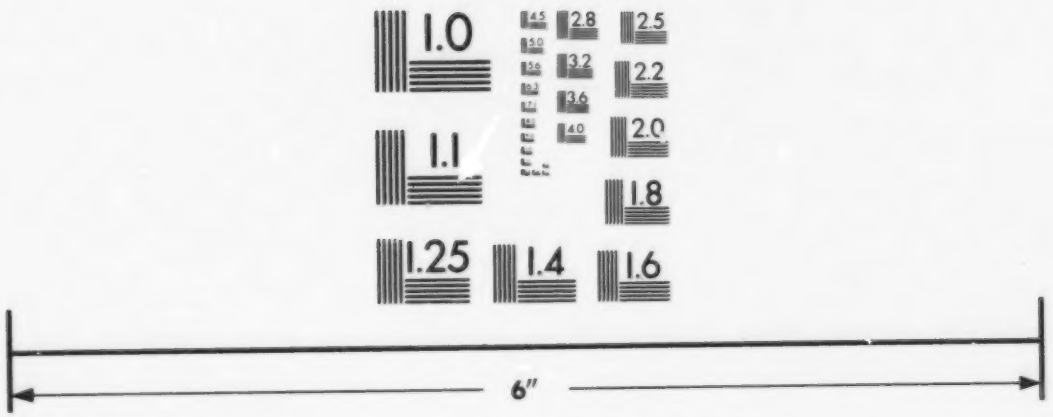

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FBIS DAILY REPORT

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BUSINESSMEN SEEK MEETING WITH BUSH ON DEBT

WA271213 Rome IPS in English 25 Jul 84

[Text] Santiago, July 25 (IPS) -- Leading Latin American businessmen will meet soon with Vice President George Bush to discuss the regional debt problem, the president of Chile's Chamber of Commerce, Juan Carlos Delano, said here today. Delano said the meeting is needed because "we think there is a lack of understanding of this serious problem on the part of the U.S. Government."

Trade protectionism in the United States and other industrial nations "prevent Latin America from increasing its exports, improving its income and thus paying its foreign date," he complained. And "as long as high interest rates persist in the international financial market, and particularly in the U.S. market," Delano said, "the prices of raw materials the developing countries produce are going to stay depressed."

Latin American traders will ask Bush for "a rapid solution," Delano said, and "warn him that unless there is improvement in the region's crisis, the situation in El Salvador is going to be repeated."

Delano noted that the National Bipartisan Commission on Central America, chaired by former Secretary of State Henry Kissinger, recommended $20 billion in urgent aid to Central America, and warned that El Salvador must get more economic assistance "or a communist regime will install itself there." If the United States does not support a solution, it will have to invest much more money in Latin America in the future," he added. "To prevent those countries from falling under the domination of leftist regimes." Latin America's total foreign debt is now estimated at $360 billion.

Enrique Iglesias, executive secretary of the Economic Commission for Latin America (ECLA), a U.S. organization, agreed with Delano's views in remarks here today. Addressing the Chilean-Swiss Chamber of Commerce, Iglesias said that "the hypothesis of the International Monetary Fund for a quick recovery in the world economy is not working out."

"The debt crisis is getting worse instead of better," he said, and the Latin American nations "cannot keep sustaining recessive economic adjustments which could provoke serious social consequences."

Latin America has shown "extraordinary responsibility" on the debt problem, according to Iglesias, but external factors are threatening the region's future economic development. "Latin America has done everything on its own," he said, "and is now looking for reciprocal action from its creditors, who will certainly be affected too if this situation continues."

Iglesias noted that 40 percent of Latin America's foreign debt comprises interest charges on loans granted "easily" by international banks in the 1970's. Latin America's standard of living has fallen back to the level of 1977 because of the debt burden, he said.

BRIEFS

BRAZILIAN-PERUVIAN LAIA PROTOCOL -- Montevideo, 12 Jul (EFE) -- Raul Pinto Alvarez, the Peruvian representative at the Latin American Integration Assocation [LAIA] and his Brazilian counterpart, Luiz Claudio Pereira Cardoso, today signed a trade protocol within the LAIA framework. With this protocol, the two countries have added more products to the existing list of products granted preferential customs treatment. [Summary] [Madrid EFE in Spanish 0421 GMT 13 Jul 84 PY]

SOVIET OFFICIAL MEETS CAPUTO, MAKES STATEMENT

PY261904 Buenos Aires Domestic Service in Spanish 1600 GMT 26 Jul 84

[Text] Yuriy Fokin, secretary general of the Soviet Foreign Affairs Ministry, today stated that his country continues to support Argentine rights over the Malvinas Islands. The Soviet official made this statement following a meeting with Foreign Minister Dante Caputo at San Martin Palace. Fokin was accompanied by Soviet Ambassador to Argentina Oleg Kvasov.

Fokin said that during the meeting with Caputo the need for the two countries to increase ties in all fields was discussed. He added that it has already been stated on many occasions that the main purpose of his visit is to exchange views with Argentine officials on the points included in the agenda of the upcoming UN General Assembly. The diplomat said that his consultations with Argentine officials concluded with the meeting with Foreign Minister Caputo, adding that these meetings, the same as all others held with Foreign Ministry officials in the past, are important for bilateral relations.

The Soviet official stressed the importance of the matters discussed. He added that the meetings he has held will enable the USSR to improve relations and to better understand Argentine views on various international issues. He said that understanding and learning about the views of Argentina and of other countries is important for the USSR because it helps it to adopt positions on various international issues.

Asked about the Malvinas issue, the Soviet official said that the USSR maintains the same position it has expressed at the United Nations, which favors Argentine rights over the Malvinas Islands. Argentina has shown a realistic approach to the problem, and the Soviets are satisfied with it because Argentina not only sees its bilateral implications but also the growing danger posed by the militarization of the islands. He would, he said, convey this to his government.

FRENCH FOREIGN MINISTER ARRIVES FOR 3-DAY VISIT

PY261255 Paris AFP in Spanish 1237 GMT 26 Jul 84

[Text] Buenos Aires, 26 Jul (AFP) --French Minister of External Relations Claude Cheysson arrived here at 0925 on an official 3-day visit. Cheysson, who is due to travel to Venezuela at the end of his visit to Argentina, was received at Ezeiza International Airport by his Argentine counterpart, Dante Caputo; French ambassador to Argentina, Antoine Blanca; government officials; and diplomats.

One of Cheysson's first official activities will be an audience with President Raul Alfonsin, scheduled for noon today.

Holds Press Conference

PY261652 Buenos Aires TELAM in Spanish 1415 GMT 26 Jul 84

[Text] Buenos Aires, 26 Jul (TELAM) -- On arriving in Argentina this morning, French Minister of External Relations Claude Cheysson stated: My country is extremely interested in establishing relations with Argentina, [as received] even on a daily basis, so that problems in this part of the world can be understood, taking into account the influence that the Argentine democracy can have.

Speaking at Ezeiza Airport, Cheysson said he is carrying a letter from French President Francois Mitterrand to his Argentine counterpart, Raul Alfonsin, but for obvious reasons declined to give details on its content.

He was quite explicit, however, when stating that relations between the two nations have been strengthened with the return of democracy in Argentina, not only in the political field but in the social field as well. He expressed the hope that relations between Argentina and France would be reorganized as in the past, from the cultural standpoint, in the economic sector, and in the exchange of ideas.

He admitted that there are many subjects on which the two countries have differing opinions, although they have the same objectives, the most important ones referring to the economic sector. He smilingly added that when he speaks of an economic order, it is just a joke; he should say an economic disorder.

He added that surely Argentina can count on France's support regarding the treatment of the foreign debt. This support has always existed, and Foreign Minister Caputo can confirm it. He recalled that when Alfonsin assumed the Argentine presidency, [Prime] Minister Pierre Mauroy was present at the ceremony to see from a technical standpoint how we could strengthen our support in that sector, not referring to the debt as such, but seeing how Argentina could develop a growth and development program.

(?Caputo, who went) to welcome Cheysson accompanied by French Ambassador to Argentina Antoine Blanca and other officials, stated that we are happy to receive a representative from a friendly country. He expressed his conviction that the coming days will be useful and we are surely going to thoroughly discuss all problems related to international policy. He added that we are certainly going to progress fruitfully in the field of bilateral relations.

During the brief press conference, which at moments was disorderly, hampering the work of the press, Cheysson thanked the press for their interest in his visit to our country.

Signs Note To Establish Commission

PY262140 Buenos Aires Domestic Service in Spanish 2000 GMT 26 Jul 84

[Text] French Minister of External Relations Claude Cheysson and Argentine Foreign Minister Dante Caputo today signed notes which establish a French-Argentine general commission. The ceremony was held at the Foreign Ministry. The foreign ministers noted the importance of the programs planned at the cultural, technological, and scientific level, and the promotion of industrial and economic cooperation.

Meets With Alfonsin

LD270828 Paris International Service in French 0800 GMT 27 Jul 84

[Text] French Minister of External Relations Claude Cheysson is on an official visit to Argentina. He had talks lasting over an hour last night with President Raul Alfonsin. Claude Cheysson handed him a letter from [French President] Francois Mitterrand. Speaking at a press conference, the French minister criticized the United States on the issue of international debts. Claude Cheysson favors a new world economic order and a consolidation of relations between Paris and Buenos Aires.

LABOR MINISTRY, CGT START 'CONTRACT TALKS'

PY262256 Buenos Aires BUENOS AIRES HERALD in English 26 Jul 84 p 1

[Excerpt] (NA-DYN) -- The government and the unified General Confederation of Labour (CGT) yesterday formally started "socio-economic contract" talks after the CGT was guaranteed a role in determining future wage policy and the government announced a $a10,500 [peso] minimum monthly wage for August.

Meeting yesterday, Labour Minister Juan Manuel Casella and CGT leaders also agreed to a $a13,000 "floor" for wages tied to collective contracts. The agreement was "unanimously" approved by the CGT executive board last night.

Casella announced the "contract talks have formally begun" immediately after the CGT's approval. Though agreeing to start talks, the CGT nonetheless voiced its disapproval of the August minimum and the wage floor in a statement issued last night, and said the agreement does not limit individual unions from trying to obtain greater pay hikes.

The government response, the CGT stated, "does not mean a solution to the wage demands has been found, but rather that the conditions have been created which make possible a new means of agreement."

The CGT reportedly backed down from its demands that the $a10,500 minimum be set for July when the government promised to first consult union leaders before wage-guidelines are announced in the future. The government was also said to have guaranteed that all legislation concerning unions and workers' social welfare funds would be included in the contract talks.

Casella yesterday met for over three hours with CGT secretaries-general Saul Ubaldini, Osvaldo Borda, and Ramon Baldassini.

The contract agreement follows months of bargaining between the government and the CGT which, among other things, led to the passage of a watered-down union elections law and the suspension for 180 days of legislation barring unions from controlling social welfare funds.

Baldassini last night said the agreement all but ended the possibility of strike action in the near future by the CGT to protest the government's wage policy.

The socio-economic cabinet is expected to meet today to discuss the wage announcements made by Casella.

POLITICIANS REACT TO ALFONSIN PLEBISCITE CALL

PY261827 Buenos Aires Domestic Service in Spanish 1030 GMT 26 Jul 84

[Text] President Alfonsin's speech last night immediately elicited reactions. [Former Education Minister] Jorge Taiana said: The speech indicates that the pope has decided to issue the final proposal soon. If we reject it, we could create the possibility of a war, but if we accept it, we would end an extremely serious conflict which started almost 100 years ago.

For his part, Vicente Leonides Saadi of the Justicialist Party [PJ] of Catamarca and president of the PJ Senate bloc said he is totally against the signing of an agreement with Chile until it has a democratic government.

Federico Storani, [president of the Chamber of Deputies Foreign Affairs Commission] said that we are convinced that the measure is correct because this issue concerns not only our generation but also all future ones. He said that the problem is complex and that the country has inherited a heavy burden. However, he said that the measures does not mean that any of the three branches of government will delegate their constitutional prerogatives, because the outcome of this extremely important political measure will not be binding on the government.

Christian Democratic Deputy Augusto Conte said that popular participation is always important because it has positive effects. However, he said he would regret the government holding a plebiscite as a result of military pressure, because it would be a sign of the government's weakness.

Former Foreign Minister Nicanor Costa Mendez said: I am surprised by the measure. It does not seem to abide by the constitutional rule that the people can neither deliberate nor rule unless it is through their representatives. He also noted the need to reflect on the precedent to be set by the consultation.

However, the Intransigent Bloc in the Chamber of Deputies considered the measures as valid.

For his part, Carlos (Duickhouse) indicated: I think it is a good measure because it abides by the Constitution and it will be an interesting precedent. I believe that the most important thing is that all sectors be allowed to express their views after the overall proposal is disclosed.

Cesar Jaroslavsky, president of the Chamber of Deputies Radical Bloc and member of the Radical Party from Entre Rios, said the decision to call for a plebiscite to determine the peope's views on the papal proposal is totally different from the military government's illegal and secret handling of public affairs.

PROVINCIAL PARTIES WORKING FOR NATIONAL ALLIANCE

PY262310 Buenos Aires BUENOS AIRES HERALD in English 26 Jul 84 p 7

[Text] Corrientes (NA) -- Eleven provincial parties, including the Corrientes Liberal-Autonomist Pact and the San Juan Bloquistas, last night agreed to work towards a national alliance and appointed Corrientes Governor Jose Antonio Romero Feris the group's "coordinator." In a statement signed after a day-long meeting, the parties pledged to form a grouping capable of providing "political channels...for large sectors of the citizenry which do not feel interpreted" by existing parties. The other nine groupings which participated were the Salta Renewal Party, the Jujuy Popular Movement, the Pampa Federal Movement, the Tierra del Fuego Popular Union, the Chubut Action Movement, the Formosa Popular Action Movement, the Chaco Unity Movement, and the Corrientes Progressive Democrat Party. [as received]

TELAM EMPLOYEES DECIDE TO STRIKE 3 AUGUST

PY270242 Buenos Aires DYN in Spanish 2130 GMT 26 Jul 84

[Text] Buenos Aires, 26 Jul (DYN) -- Journalistic administrative and advertising personnel of the official news agency TELAM today held a meeting at which they decided to strike on 3 August. The manner in which this strike will be carried out is to be decided at a meeting on 1 August.

TELAM workers also asked the Argentine Government to make a decision about the situation of the enterprise, which "according to all available signs, seems to be doomed to disappear for lack of funds and of a clear-cut management policy," according to a communique released this afternoon.

NEWS MEDIA, PUBLIC OFFICES RECEIVE BOMB THREATS

PY202047 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0035 GMT 20 Jul 84

[Text] Buenos Aires, 19 Jul (NA) -- Two anonymous phone calls early this afternoon warned that a bomb had been placed in the NOTICIAS ARGENTINAS office and that it was set to explode at 1700. The first call was received minutes before 1600 by the doorkeeper of the Prensa Argentina building located at 314 Chacabuco Street, where NOTICIAS ARGENTINAS occupies the first floor.

The anonymous telephone calls warning about the alleged presence of bombs are part of a series of similar calls that have been made over the past few weeks with the obvious intention of causing unrest among the people.

The second anonymous phone call at 1635 was received directly by the NOTICIAS ARGENTINAS switchboard. This time a man's voice told the receptionist: "There are exactly 25 minutes left before the bomb goes off." He then hung up immediately without waiting for a response.

Similar calls were received this morning by the newspaper TIEMPO ARGENTINO and the newsrooms of Radio Mitre, Radio Splendid, and Radio Excelsior. These calls were apparently made by the same person who called NOTICIAS ARGENTINAS. This could be deduced from the characteristics of the voice of the man who made the calls since it was described in all cases as "calm, firm, and low."

The call that was received at NA merely noted that "a bomb is placed on the first floor and it is going to explode at 1700." However, the call made to TIEMPO ARGENTINO noted that if the newspaper "does not change its editorial line, its directors will be killed." Another call which was received last Saturday at TIEMPO ARGENTINO noted that a bomb was placed in the building where the newspaper has its offices, which are located at 1810 Lafayette Street.

The anonymous phone calls, which have been occurring for a month now, have been denounced by Federal Police Chief Antonio di Vietri, who after meeting with President Raul Alfonsin to discuss the issue said that the phone calls "are trying to create a general psychosis."

Bomb threats were received last week at the Buenos Aires municipal council, the national Congress, and several courts. One of the first targets of this intimidatory campaign was the Sor Maria Ludovia Children's Hospital, located in La Plata, and as in previous cases it caused alarm and the hospital had to be evacuated twice.

Since this is obviously an intimidatory campaign which seeks publicity, from now on NOTICIAS ARGENTINAS will not report these threats unless in the extreme circumstances that the reports are of public interest and would help in the investigation of the case.

FORMER ADMIRAL MASSERA UNDER INTENSIVE CARE

PY262151 Buenos Aires TELAM in Spanish 1835 GMT 26 Jul 84

[Text] Buenos Aires, 26 Jul (TELAM) -- Navy sources today confirmed that former Navy Commander in Chief Eduardo Massera has been admitted to the intensive care unit of the Central Naval Hospital in Centenario Park. It was also learned from the same sources that a few days ago Admiral Massera was taken to the hospital for a checkup. At the hospital, Massera reportedly suffered a fit of depression, something which made more serious care advisable. Queries did not elicit any official response from Navy officials.

EDITORIAL VIEWS FALKLANDS, BEAGLE DISPUTES

PY262323 Buenos Aires LA NACION in Spanish 25 Jul 84 p 8

[Editorial: "The Beagle and Falklands Issues at a Critical Point"]

[Text] As we have recently pointed out, the Malvinas and Beagle conflicts are at a crucial point. Concerning the Beagle dispute, official sources have said that an agreement is imminent and that there are good chances for signing a completely satisfactory agreement. As for the Malvinas, the opportunity to discuss the issue directly with Great Britain within the general framework of bilateral relations has been spoiled and the dialogue is now at a deadlock. However, the public has only a vague idea of how, and above all when, the two issues will be solved, despite the fact that it is understood that while the Beagle issue may be settled more or less immediately, the Malvinas conflict will inevitably await a long-term solution. On an initial approach, it could be said that the Beagle issue depends on a political decision, while the Malvinas issue should still follow the intricate course of historical vicissitudes, a course that should be marked by unfaltering perseverance in the negotiations.

It is obvious that the pope's mediation will come to an end, either successfully or unsuccessfully. By the end of last year, and more precisely when he summoned the two parties last January, the pope said it was necessary to accelerate "the final stage of the work in order to draw up a final treaty which, being acceptable to both sides, should properly implement and reflect the text of his proposal." This was formalized by the declaration signed in Rome in 23 January 1984 by the foreign ministers of the two countries and by the Vatican secretary of state. By that time, John Paul II received what he had expected, namely, "encouraging indications of positive and considerable progress in the negotiations," even though he warned that the mediation "had already taken longer than anyone would have expected." In effect, by that time the mediation process had been under way for 5 years, "a period during which," as we pointed out on 15 January 1984, "its pacification role was strengthened as it emerged as practically the only alternative for solving the dispute." For our country, the mediation has been a valid alternative for discussing the topics that we declared to be "outside the jurisdiction of the courts." This alternative has prevented the issue from being automatically turned over to the International Court for a new arbitration process, a measure that Chile has been ready to adopt in case of failure of the mediation process.

What was said publicly last January represented definite support for the search for a peaceful solution as the basic condition for an agreement between the parties. It also represented support for the papal guidelines of 12 December 1980, which considered that a "just, equitable, and honorable" solution was fundamental for a "true and definitive" agreement.

At the audience held at the Vatican on 23 January, Cardinal Agostino Casaroli, secretary of state of the Holy See, used clear and sharp language, until then unusual in the mediation process, "because an objective appraisal shows that this is a particularly appropriate time to reach a final treaty. If this occasion is passed up, the difficulties to resolve the dispute through the mediation process might prove later to be much more serious, perhaps insurmountable."

Moreover, the commitment made on 23 January 1984 represented for the Argentine side the acceptance of the papal proposal by a government that was willing to overcome the delays which have been dragging on since December 1980. There was even a noticeable coincidence between the statements made by Cardinal Casaroli and Foreign Minister Caputo on the occasion regarding the political, global, and objective criteria that should be applied so that the final objectives can be attained and the national interests preserved.

In view of what has been said above, there was sufficient certainty that the papal proposal had already gone through a reasonable period of clarification, definition, and adjustment. It can be supposed that after 6 months have elapsed in the final stage of the process, the government is in a position to inform the country on the status of the negotiations, including what has been achieved in the way of innovations as the result of its efforts. This might be an indispensable step in order to make possible, on the basis of broad public information, the emergence of a consensus sufficiently solid to reach the final agreement that is desired.

The Malvinas question is no doubt more complex and its solution more remote. The Malvinas war and its consequences cannot be set aside. After this armed confrontation, our country has managed to set the conflict back on the basis upon which it has been conducted since 1965 under the aegis of the United Nations, that is, to restore negotiations as the instrument for a solution. To divert the question from its postwar focus, the Argentine Government accepted the good offices of Switzerland which led to the hopeful Bern meeting. Previous preparations that were not sufficiently clear, particularly regarding the interpretation to be given to an "open agenda," caused the cessation of the talks as soon as the question of sovereignty was presented.

On questions of international policy, or policy in general, reason must prevail over emotion. Our foreign minister said it well some time ago: It is desirable for Argentina to return its relations with Great Britain to the situation prevailing prior to 2 April 1982. Setting aside the question of sovereignty for the time being, new talks could no doubt yield benefits; to cite one example, the elimination of the exclusion zone around the islands. But reality should be objectively appraised if talks, whether to produce dissension or agreement, are to be held: The government that won the war with its own troops will hardly agree in a first contact to discuss the point over which the two countries went to war.

Let it be clearly understood that we are not proposing that the question of sovereignty be excluded from discussion -- this is irrenounceable -- but only that it not be brought up before other questions on which we can expect to obtain results of real benefit for our country. Proceeding with negotiations and allowing the passage of time to help Argentina fully or partially recover its relative importance in the world community, we will no doubt recover the islands that were unjustly taken from us more than 150 years ago.

COB WANTS U.S. OFFICIAL DECLARED PERSONA NON GRATA

PY270129 Paris AFP in Spanish 0034 GMT 27 Jul 84

[Text] La Paz, 26 Jul (AFP) -- The powerful Bolivan Labor Federation [COB] has requested that President Hernan Siles Zuazo declare U.S. Embassy political officer Valentino Martinez, who charged the COB with being involved in a coup plot with Army Commander General Simon Sejas Tordoya, persona non grata.

COB Permanent Secretary Noel Vazquez has released a communique charging the U.S. Embassy with advance knowledge of a coup and with interfering in Bolivian domestic affairs. According to Reynaldo Venegas, former president of the National Chamber of Industries, who is being held in connection with the recent unsuccessful coup, the U.S. Embassy had advance knowledge of the coup and had warned Colonel Rolando Saravia that the United States would block any government resulting from a coup. Venegas said that he had been called by Martinez and that he had heard him say that the U.S. Embassy had knowledge of several plots, one of them led by Gen Sejas Tordoya and backed by the COB. The COB communique states that the U.S. Embassy is seeking to pit the Armed Forces against the COB and to isolate Gen Sejas Tordoya.

Participation in Coup Denied

PY262149 La Paz Radio Illimani Network in Spanish 1700 GMT 26 Jul 84

[Text] COB [Bolivian Labor Federation] Executive Secretary Juan Lechin Oquendo has described as absurd press reports on the COB's possible participation in a coup plot along with Army Commander General Simon Sejas Tordoya. The union leader said that a campaign was started against Gen Sejas Tordoya a long time ago to discredit him in the eyes of his colleagues. Lechin said that the COB does not support coups. We represent the workers and these reports offend both the Bolivian workers and their leaders. In any case, Lechin said, weare not hurt or offended by the accusation, but the COB will issue a statement this afternoon. Lechin concluded by stating that some military officers who seek to interrupt the democratic process are trying to discredit Gen Sejas Tordoya because he has President Hernan Siles Zuazo's confidence.

COUP INVESTIGATION CONTINUES; EX-MINISTER FREED

PY261350 La Paz Cadena Panamericana in Spanish 1130 GMT 26 Jul 84

[Text] Interior Minister Federico Alvarez Plata has confirmed press reports that a former interior minister in Banzer's administration has been released following his arrest for alleged involvement in the incidents of 30 June [the kidnapping of President Siles Zuazo].

According to what Federico Alvarez Plata told Cadena Panamericana, Alfredo Arce Carpio has been released because there was not sufficient evidence to put him at the disposal of a court of law. The interior minister added that five persons who were arrested for their involvement in the president's kidnapping on 30 June have been placed at the disposal of the courts. The investigation of the subversive plot to stage a coup through President Siles Zuazo's kidnapping has not yet concluded. The interior minister said that the investigation is continuing and that it is being conducted carefully to prevent errors.

FRENCH WEAPONS TURNED OVER TO ARMED FORCES

PY261422 La Paz Cadena Panamericana in Spanish 1130 GMT 26 Jul 84

[Text] The French-made weapons that the French Government donated to the Bolivian police will be handed over to the Armed Forces. This final decision was made by Hernan Siles Zuazo, captain general of the Armed Forces and president of the Republic.

Defense Minister Manuel Cardenas Mallo made this statement to Panamericana. He added that the decision was made by the captain general of the Armed Forces following consultations with Interior Minister Federico Alvarez Plata. Cardenas Mallo stated that the weapons have been distributed among the three services based on their needs, adding that the Bolivian police will receive other weapons from the Army in the way of a loan.

Cardenas Mallo also reported that Army Captain Freddy (Bahianas) has been discharged for his partial involvement in the 30 June incident. He added that nine students of the Navy War School have been imprisoned for 15 days. In conclusion, Panamericana asked Cardenas Mallo about the alleged replacement of the La Paz garrison commander. [sentence as heard]

LABOR MINISTER SAYS WORKER DEMANDS UNACCEPTABLE

PY261510 La Paz Cadena Panamericana in Spanish 1130 GMT 26 Jul 84

[Text] Labor and Social Development Minister Horst Grebe has categorically stated that the government will not accept the excessive demands by public employees because it could cause future problems.

The labor minister remarked that it is clear that some state employees do not want to strike any more and that the people are tired of this situation.

Referring to the state employee demands, he said that they are beyond the state's means. He added that pay will be subtracted from a public employee's salary for every day on which he does not report for work.

SUCRE CITY HALL DAMAGED IN BOMB ATTACK

PY260335 La Paz Cadena Panamericana in Spanish 0000 GMT 26 Jul 84

[Excerpt] A terrorist attack was carried out this afternoon in Sucre against the Sucre municipal building. According to the report supplied by our correspondent, the bomb attack caused damages to the building. The report adds that the terrorist attack took place at 1830, and that no one was hurt.

FIGUEIREDO REPLIES TO THATCHER ON DEBT ISSUE

PY261340 Brasilia Domestic Service in Portuguese 2200 GMT 25 Jul 84

[Text] President Figueiredo today sent British Prime Minister Margaret Thatcher a letter in reply to a message he received on 18 June. In his letter, the chief of the Brazilian state stresses the importance of the dialogue between the creditor and debtor countries, emphasizing that the proposals contained in the Cartagena Consensus represent a solid and realistic basis in the search to resolve the foreign debt issue of the Latin American countries. Figueiredo thanks Thatcher for the attention that she and the other chiefs of state who attended the London economic summit devoted to the economic problems troubling the Latin American countries as a result of the serious situation arising from their foreign debt. He notes that, although different feelings still persist, the headway made at the London summit reveals the existence of prospects for holding talks and reaching an understanding between the governments of the countries attending the summit and those of the debtor countries.

President Figueiredo also states in his letter that the foreign debt crisis and its bad social, political, and economic consequences are a source of continuing concern for the Brazilian Government, emphasizing that it is urgent to take action toward the satisfactory management of the foreign debt issue. In this regard, a dialogue between the creditors and the debtors would constitute a joint effort on this issue and its many consequences, Figueiredo stresses.

In her message, Margaret Thatcher pointed out that the importance of the international debt was recognized in the London statement. She also said that the various proposals included in the statement should effectively contribute to resolving the foreign debt issue, stating that the participants at the summit showed a great willingness to ensure the current recovery of the industrialized countries and to extend it to other countries.

Admitting the importance of trade in that recovery process, the summit also urged the promotion of efforts to halt and to reverse protectionist measures, Thatcher concluded.

U.S. BANKS GRANT $1.5-BILLION LINE OF CREDIT

PY261850 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 26 Jul 84

[Text] Brazil has obtained a new loan. The Eximbank and a consortium of private U.S. banks have granted a $1.5 billion loan. It is really a $1.5-billion line of credit to let Brazil withdraw merchandise from U.S. stockpiles. This is the exact amount that the national industry needs to meet its goals.

FOREIGN TRADE SURPLUS FIGURES REACH $7 BILLION

PY261839 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 26 Jul 84

[Excerpts] Everything is going very well with the Brazilian trade balance. Up to yesterday, the surplus had reached $7 billion. Carlos Viacava, head of the Foreign Trade Department, believes that Brazil will reach an $11-billion surplus by the end of the year.

WAGE LAW WIDELY IGNORED, FAILS TO BEAT INFLATION

WA272306 Rome IPS in English 24 Jul 84

[By Mario Osava]

[Text] Rio de Janeiro, July 24 (IPS) -- The Brazilian Governemnt's hard-fought wages policy, pushed through parliament last October in the face of fierce trade union opposition, is as good as dead after only nine months, in the view of most observers here.

First labor and later private business have come out strongly against the wage law, which was aimed at cutting inflation as part of an International Monetary Fund sponsored austerity program put in place to deal with the country's $95 billion foreign debt. But as many trade union leaders predicted, the inflation rate has continued to rise, increasing 226.5 percent during the nine months the wage law has been in force. When it was enacted, inflation was running at a 200 percent annual rate. These figures, according to union leaders, prove that, contrary to economic officials' arguments, salaries are not fueling inflation.

Not only have employers now joined their workers in criticizing the policy, but the government itself recently allowed a number of state-owned enterprises to flout its own wage curbs. When President Joao Figueiredo announced Decree Law 2065, the salary ceilings it imposed were seen as a key element in Brazil's efforts to reach a loan accord with the Washington-based IMF. The law limited wage rises for all but the lowest paid workers to 87 percent of inflation, which was then running at around 200 percent a year, and effectively meant a reduction in real wages. Salary increases to keep up with inflation were granted only to employees earning less than $160 a month, or three times the minimum salary.

Brazil's trade unions rallied in strong opposition to the decree, which became law only after the government imposed a state of emergency in the capital, Brasilia, to clamp down on demonstrations. Passage of the law, however, did nothing to dampen workers' opposition, and a number of strikes in recent months have ended with employers finding themselves forced to ignore the wage ceilings set under Decree 2065.

State-run businesses began to rebel against the government-imposed strictures too, when they started losing their most skilled employees to the private sector, where salaries were more attractive. Twenty-three state-owned firms have won authorization to grant wage rises higher than the legal limit in the past few weeks. Further, business leaders, who might be expected to welcome government-decreed wage curbs, have also started complaining that the policy is hurting their sales.

The cuts in higher salaries have meant a shrinking domestic market, especially for goods aimed at the middle and upper classes. Business associations say that over the past six months, sales of automobiles have fallen by 18 percent, domestic electrical appliances are down 15 percent, and food sales are 11 percent off.

In the past two and a half years, real salaries throughout Brazilian industry have fallen by 38.8 percent as a result of five successive wage policies, according to figures prepared by the National Confederation of Industry (CNI). "We are joining forces with all sectors of society to force changes in the salary law," CNI President Albano Franco, a senator, said at a meeting of the confederation's leadership last week. But the CNI meeting could not agree on an alternative plan to present to the government. Some of the business leaders defended the wage decree, but the majority said it should be repealed, and called for direct talks between management and labor to set salaries. That camp argued that wage law must be designed to allow the domestic market to recover.

Some ministers, such as Industry and Trade Minister Camilo Penna, have already admitted to the need for changes in the wage decree. But Planning Minister Antonio Delfim Netto, sometimes called the "csar" of Brazil's economic program, does not agree.

Decree 2065 lays out a timetable for the government's gradual withdrawal from salary negotiations, beginning in July 1985, he note, and argues that the plan should remain intact. In July, labor and management will be able to directly negotiate a portion of salaries. The negotiated part will gradually increase until 1988, when entire wages will be subject to direct negotiation, without government controls. But Brazilian industrialists who are watching their markets dwindle and workers feeling the crunch of shrinking pay do not appear willing to accept the wage decree for one more year. A group of 1,000 business and engineering leaders who met several days ago in Curitiba, at the seventh national meeting on civil construction, unanimously approved a proposal calling for the immediate repeal of Decree 2065. The wage reduction has only aggravated Brazil's recession and increased social unrest, and has raised rather than lowered unemployment, they argue, noting that inflation continues to rise.

Many economists, business leaders and government officials are now pointing to the currency exchange policy, which has sucessively devalued the Brazilian cruzeiro, as the main cause of the persistent inflation. Businessmen like Luis Eulalio Vidigal, president of the powerful Federation of Sao Paulo Industries (FIESP), feel that arguing against Decree 2065 is flogging a dead horse, since private and state companies and federal, provincial and municipal governments are not complying with the law anyway. But the trade unionists want the decree officially repealed. They argue that even though the law is largely ignored, it gives companies freedom to offer low salaries to workers who are not well enough organized to protect their interests.

CONTINENT'S LARGEST TEXTILE COMPANY TO REOPEN

WA270027 Rome IPS in English 24 Jul 84

[Text] Rio de Janeiro, July 24 (IPS) -- Latin America's largest textile manufacturer emerged from bankruptcy proceedings here today, with its creditors agreeing to swap their debt for shares in the company, officials announced. Nueva America, which was formally declared bankrupt six months ago, could reopen by the end of August, according to Luis Cassio Werneck, an adviser to the Planning Ministry, who finalized the deal with creditor banks today.

The company's collapse put 5,500 people out of work, prompting widespread protests which drew local and federal government officials into efforts to bail out the ailing plants. Nueva America went out of business owing some $70 million to numerous banks. The biggest creditor, which will hold 20 percent of the shares, is the state owned National Economic and Social Development Bank (BNES). Other shares have been alloted to the Rio de Janeiro Provincial Bank and a number of private banks. The firm will not be nationalized, Werneck stressed.

Nueva America has been a Rio institution since it was founded as one of Brazil's first generation textile mills at the beginning of this century. The company's two mills are surrounded by the houses Nueva America built for its workers, along with schools and other facilities. The firm also ran its own social welfare system for its employees, and guaranteed them job security. But Nueva America management did not keep pace with changes in textile markets of technology, and the firm grew increasingly uncompetitive. The recession Brazil has been suffering for the past three years presented the company with additional problems that eventually proved insurmountable. The firm's employees, however, fearful of their chances of finding alternative work in Brazil's current economic climate, organized their resistance to the plant closure effectively enough to prompt govenment intervention, and a solution to the crisis.

OPPOSITION TO FORM NEW PARTY TO SUPPORT NEVES

PY261804 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 26 Jul 84

[Text] A new political party will be created in Brazil. It will be called the Liberal Party, which will have to be launched before 9 August, thus giving legal status to the

Liberal Front that is headed by Vice President Aureliano Chaves, who supports the Brazilian Democratic Mobiliation Party [PMDB].

It will then join what has already been baptized as the Democratic Alliance in order to launch Tancredo Neves' candidacy for the presidenty of Brazil.

The new party's primary objective lies in the need to prevent legal action being taken against the candidacy of former Social Democratic Party [PDS] President Jose Sarney, who will be the vice presidential candidate on Tancredo Neves' electoral ticket.

Upon examining the most important names within the Liberal Party, there is one fact that immediately draws attention: Many of the largest Brazilian bankers are included. This reminds one of the Popular Party style.

Reporter Carlos Rodrigues from Brasilia has more information on this new party.

[Rodrigues] The Democratic Alliance's last details regarding the presidential candidacy of Tancredo Neves are now settled. Vice President Aureliano Chaves and Governor Tancredo Neves met here in Brasilia yesterday evening. During several meetings this week, political disagreements were resolved and the platform of the future government was defined.

This platform establishes a new system for the renegotiation of the foreign debt and a new policy to fight inflation. It also foresees the establishment of emergency plans to fight hunger and unemployment and the reformulation of housing, social security, health, and education policies.

Regarding the political area, the future government's platform calls for the implementation of direct elections at all levels, a constituent assembly, and a reformulation of the political party policy in order to make it easier to create new political parties.

The national directorate of the PMDB also met here yesterday and approved the platform of the future government. It agreed to allow the PDS' Liberal Front to designate the vice presidential candidate for Tancredo Neves' electoral ticket. The Liberal Front has designated Senator Jose Sarney as its candidate.

In 10 days, the Liberal Front will launch a manifesto creating a new political party. This was announced by one of the Liberal Front leaders, Deputy Ismael Pinheiro. Vice President Aureliano Chaves also confirmed the launching of the party and that the manifesto is being prepared by a commission headed by Senator Marcos Maciel.

Deputy Ismael Pinheiro explained that the provinsional launching of the manifesto and creation of the new party will prevent legal measures being taken against the members of the Liberal Front over party infidelity. Deputies who support Paulo Maluf intend to take such legal measures in order to prevent the Liberals from voting for Governor Tancredo Neves.

BRIEFS

ANTIDRUG ACCORD WITH COLOMBIA -- By means of an agreement signed in Bogota, the Brazilian and Colombian Governments have established a joint commission to repress drug trafficking. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 25 Jul 84 PY]

MEASLES OUTBREAK -- The measles outbreak continues in Sao Paulo. The number of children hospitalized has increased in most hospitals. Up to this time 125 children with measures have been hospitalized. Regarding the death toll, the Health Secretariat will release new figures this afternoon, although the latest report indicates that 49 children died between January and June. [Summary] [Sao Paulo Radio Bandeirantes in Portuguese 1555 GMT 25 Jul 84 PY]

IRAQI PLANE ARRIVES TO LOAD CLUSTER BOMBS

PY261455 Paris AFP in Spanish 1404 GMT 26 Jul 84

[Except] Santiago, 26 Jul (AFP) -- Reliable sources have reported that today an Iraqi military aircraft landed in Santiago to load cluster bombs that Iraq has purchased from Chile for use in its war against Iran.

Iraq has purchased 5,000 Chilean-manufactured bombs of this type at a cost of approximately $25 million.

The first loads of these bombs were shipped in March and June of this year.

REPORTAGE OF GOVERNMENT EXPLUSION OF LEFTISTS

MDP Issues Declaration

PY261355 Santiago Radio Cooperativa in Spanish 1715 GMT 25 Jul 84

[Excerpt] The Democratic and Popular Movement [MDP] has protested the explusion of four Chileans who have fought for the recovery of freedom and democracy in Chile, according to an official declaration released by the MDP. The declaration says that the government has no moral right to label the four expelled leaders foreign agents because during the past 11 years the national economy has been relinquished to foreign capital, alienating the country's sovereignty.

Minister Explains Explusion

PY270158 Santiago Radio Cooperativa in Spanish 1715 GMT 26 Jul 84

[Text] Alfonso Marquez de la Plata, minister secretary general of government, has indicated that one must differentiate between criminals and politicians. He was asked whether the explusion of Popular Democratic Movement [MDP] leaders meant the end of political freedom.

[Begin recording] [Marquez de la Plata] One must differentiate between criminals and politicans. I believe that persons engaged in terrorist actions in order to create chaos in the country are criminals and must be treated as such. The people of the MDP are political criminals because they are puppets for the Movement of the Revolutionary Left [MIR] and other groups which advocate violence. As I pointed out yesterday, the latest issue of the magazine EL REBELDE, which is a mouthpiece of the MIR, listed all the attacks which MIR brigades have perpetrated against the people, power pylons, and police forces. It is obvious that one cannot allow these people to continue wreaking havoc. Therefore, they will be dealt with in the most severe manner, using every legal means available.

[Unidentified reporter] Will there be further explusions?

[Marquez de la Plata] Look here, this is the way things are: Whoever engages in actions similar to those carried out by these persons will have to bear the brunt of the law. [end recording]

Upon being told that he was involving persons who belong to other political parties in MIR activities, Marquez de la Plata answered:

[Begin recording] [Marquez de la Plata] The MIR is part of the MDP, and the MIR mouthpiece has claimed credit for several attacks; that is all I can tell you.

[Reporter] The problem, Mr Minister, is that any person guilty of a crime is usually taken to court and entitled to defend himself, appeal the sentence, and claim extenuating circumstances. These persons were expelled through an administrative measure which cannot be appealed.

[Marquez de la Plata] True, but you must know that the courts are one way of dealing with these matters; Article 24 which is legal, in force, and has been approved by most Chileans is another way. The government is going to use transitory Article 24 whenever necessary. [end recording]

As to the situation of Leopoldo Ortega and Jaime Insunza, Minister Marquez de la Plata said that they still have to be caught. When asked why they have not been found despite having been under the surveillance of security forces, the minister answered:

[Begin recording] Well, they must have evaded surveillance at some point. [end recording]

The minister pointed out that in a city like Santiago a person can hide for months and not be found.

3 Deporters Refused by Argentina

PY251946 Paris AFP in Spanish 1313 GMT 25 Jul 84

[Excerpt] Santiago, 25 Jul (AFP) -- It was reported here today that Argentina has refused entry to three Chilean Communists who were deported by the military government of President Augusto Pinochet. Former Senator Luis Godoy was this morning put on board an airplane returning to Santiago. The other two, Osiel Nunez and Rene Largo Farias, will also be expelled this afternoon.

During a telephone interview, Largo Farias told Radio Cooperativa of Santiago that the Argentine authorities did not allow them entry, alleging that none of them had the necessary documents or means to maintain themselves in Argentina.

Largo Farias also said that a fourth Chilean opposition leader, Juan Parra, from the Movement of the Revolutionary Left (MIR), who had also been deported on Tuesday, has apparently had no trouble in remaining in Buenos Aires.

Senator Not Allowed To Return

PY261234 Santiago Radio Cooperativa in Spanish 1715 GMT 25 Jul 84

[Excerpts] Former Communist Party Senator Luis Godoy Gomez has not been allowed to return to Chile. The Avianca airliner that returned Godoy Gomez from Buenos Aires to Santiago arrived a little past 1000 at Arturo Merino Benietez Airport, where his wife Maria Magdalena Morales and a small number of Democratic and Popular Movement [MDP] leaders were waiting for him.

Almost an hour after the airliner landed, it still was not known whether the former senator had been taken off the airplane or was still aboard. At 1120 it was learned that the plane had left for Lima, and then would fly on to Bogota.

Former Senator Godoy was one of three Chileans expelled from the country yesterday and whose stay in Argentina was not accepted by Argentine immigration officials, who decided to send Godoy, MDP leader Osiel Nenez, and radio announcer Rene Largo Faria back to Santiago the same day. The immigration officials' argument was that they lacked foreign currency to remain in Argentina, and that they did not submit a request for political asylum. The authorities added that the Chileans should return to Santiago abroad the same airliners that brought them to Buenos Aires.

2 Others Sent to Colombia

PY262058 Paris AFP in Spanish 1510 GMT 26 Jul 84

[Text] Santiago, 26 Jul (AFP) -- It has been officially announced that the military Government of Chile today banished to Colombia two leaders of the Communist Party. The exiles, former student leader Osiel Nunez and radio announcer Rene Largo Farias, were put aboard an Avianca plane which is scheduled to leave Santiago at 1100, the Chilean Interior Ministry has reported.

PARTY SENDS LETTER TO REAGAN ON COPPER ISSUE

PY261447 Santiago Domestic Service in Spanish 1100 GMT 26 Jul 84

[Excerpt] The National Party has sent a letter to the U.S. President asking him not to impose restrictions on the purchase of Chilean copper. The letter was handed to U.S. Ambassador James Theberge by the party president and vice president, Carmen Saenz and Fernando Ochagavia, respectively. Following their meeting with the U.S. ambassador, Ochagavia said:

[Begin recording] [Words indistinct] if the proposed restrictions on copper purchases are enacted, Chile will not be able to meet its obligations. Thus, the National Party, through the U.S. ambassador, has informed U.S. President Ronald Reagan of this situation. The ambassador promised that he will take the letter to Washington so President Reagan can become aware of our opinion. We believe many other political sectors also share our opinion, because there is no disagreement between the government and the opposition over this issue. [end recording]

YOUTH ORGANIZATION SCHEDULES DAYS OF PROTESTS

PY261410 Santiago Radio Cooperativa in Spanish 1715 GMT 26 Jul 84

[Text] [Recorded broadcast in progress]... which reflects the aspirations for democracy expressed by the Chilean youth through several organizations. 2. The Christian Democratic Youth is once again engaged in a broad, peaceful, social mobilization for the implementation of the essential rights to life, education, participation, and freedom. 3. In compliance with the above-mentioned points, the Christian Democratic Youth intends to support and promote through its national board the following concrete actions scheduled over the next 60 days. [end recording]

The leader of the Chilean Christian Democratic Youth then released the schedule for the mobilizations it is preparing.

[Begin recording] A. On 9 August, a day of protest will be held for the defense of life; b. On 27-28 August university students will mobilize for the right of education; c. On 4-5 September a day of national protest will be staged; d. On 4-7 September students will stage a national stoppage for democracy and freedom in Chilean universities; e. On 26 September youth will hold a national protest. [end recording]

The Christian Democratic Youth leader concluded by making a call to youth sectors to assume a position of peaceful and nonviolent struggle for the recovery of democracy.

SHIPOWNERS ASK FOR PROTECTION OF MERCHANT MARINE

WA241315 Rome IPS in English 24 Jul 84

[Text] Santiago, July 24 (IPS) -- Chilean shipowners are pressing the military government to require that 50 percent of Chile's imports and exports be transported on Chilean ships, but the request has generated a lively controversy in the private business sector.

The Chilean Shipowner's Association asked the government to include the 50 percent minimum in revisions of the merchant marine law now under study. The owners want the state to ensure their access to international maritime markets and grant them a substantial share of Chile's foreign trade.

Foreign ships rented or operated by Chilean shipping companies and craft owned by companies which have transport contracts with Chilean firms would be considered Chilean ships, according to the proposal. But spokespersons for the powerful Society for Manufacturing Development (SOFOFA), which groups most private Chilean companies, charge that the merchant marine law violates the principle of free trade.

SOFOFA also argues that the government is predisposed toward the measure because Navy Commander Admiral Jose Toribio Merino is a key member of the ruling military junta. They also note that shipowners' representatives helped draw up the merchant marine law, while exporters were excluded from that process.

The Exporters' Association, the Timber Corporation, the Chilean Fishing Company, and other business sectors linked to exports issued a joint statement terming the proposed shipping restriction "extremely serious." "The products which Chile exports are low value added and any variation in costs could cause a drop in foreign sales," the exporters said.

The Chilean Shipowners' Association reacted to that statement quickly with the assertion that "we will defend equal conditions for Chile's merchant marine against foreign sectors." Sergio Nunez, the Shipowners' Association director, noted that "the industrialists have tariffs and (other) defense against foreign competition" and that the merchant marine should be able to protect itself. "We are only asking for reform of a law which has permitted many abuses," he added.

Throughout the military government's 11 years of rule, Admiral Merino has been a strong promoter of the merchant marine, as part of a geopolitical development strategy based on the potential of Chile's location on the Pacific Ocean. In the 1970's, legislation was approved which stimulated the country's merchant marine sector, and total Chilean tonnage doubled, topping a goal of one million tons. But during the term of former Treasury Minister Sergio de Castro, heading a team of monetarist economists, the merchant marine lost most of its privileges.

Foreign shipowners quickly took on a larger share of Chilean cargo at competitive tariffs. Many Chilean ship firms were forced to sell or lease their craft under other flags, causing high unemployment among Chilean merchant sailors. But the monetarist economic model is now out of favor even on the government level, and the "Chicago School" economists have been replaced. With this trend, the Chilean shipowners have taken the initiative to press for protection of the domestic merchant fleet, hoping that Merino's presence in the junta will give their efforts the needed push.

DISTURBANCES IN PUDAHUEL; CARABINEROS INTERVENE

PY270256 Santiago Domestic Service in Spanish 2300 GMT 26 Jul 84

[Text] Carabineros intervened in the Pudahuel community when 15 public transportation drivers were attacked by extremists. The attacks took place at La Estrella Avenue and Salvador Gutierrez Street. A group of extremists stoned passing buses and taxis. These attacks and attempts to break into commercial shops were reported simultaneously. The attempts to ransack the shops were frustrated by the rapid and timely intervention of Carabineros. A large number of pamphlets signed by the so-called Pudahuel popular organizations of the outlawed Communist Party were found scattered at the site of the incidents.

Various incidents have just taken place in areas of the Pudahuel community and the Paradero Nueve of Granaderia. Political agitators following instructions of Marxist groups such as the Popular Democratic Movement are trying to create violence and disturbances in several places. This violence began this morning when several public transportation units were attacked in the Pudahuel community and continued with attempts to set off disturbances near the Library of the Pedagogic Institute at Grecia and (Magul) streets this afternoon.

Further Report

PY270347 Paris AFP in Spanish 0305 GMT 27 Jul 84

[Excerpts] Santiago, 26 Jul (AFP) -- Fifteen persons arrested, a bus burned, 15 other buses damaged, and two powerful bomb blasts are the events that took place today during the first day of community protests in the populous Pudahuel District, in western Santiago.

The protest against General Augusto Pinochet's military government, a protest called by the so-called People's Organizations of Pudahuel [Organizaciones Populares de Pudahuel], resulted in the closure of some shops and a partial halt to student activities.

As has been the case on previous days of national protest when a dozen residents and workers died, today the demonstrators set up barricades and bonfires on some streets, and a heavy banging of pots was heard, according to numerous witnesses. Official sources stated that by nightfall the Carabineros and security agents carried out large-scale actions to detect a broad subversive plot.

French journalist Bruno Minas, who was intercepted by security agents wielding submachineguns while he was performing his professional duties, is among the persons detained. Minas, who according to his statements to AFP was beaten up and received death threats, was released after spending 3 hours under arrest at a police station.

OFFICIAL ON ARGENTINA, 'FOREIGN INTERFERENCE'

PY270310 Buenos Aires DYN in Spanish 2208 GMT 26 Jul 84

[Excerpt] Buenos Aires, 26 Jul (DYN) -- Paraguayan Foreign Under Secretary Elpidio Acevedo today stated that his country's government "is not worried" by the constitutional government in Argentina, but warned that President Alfredo Stroessner's regime "will not tolerate" foreign interference.

DYN asked the Paraguayan official about his government's reaction to commentaries by international observers, according to whom Uruguay, Chile, and Paraguay are not too pleased with Argentina's democracy because it fuels the longing for a democratic solution in Uruguay and Chile, and encourages the opposition in Paraguay.

At that point Acevedo answered: "There is a propaganda campaign aimed at lumping our country together with others that do not have our government's constitutional foundation," and blamed this campaign on "groups which do not have a chance at the elections" because "they represent no one."

After saying that Paraguay "is not worried" about the constitutional government in Argentina, the Paraguayan official indicated that the regime he represents "will not tolerate" foreign interference, just as it does not "pass judgment on what happens in other nations."

MOPOCO ISSUES STATEMENT ON DEMOCRATIZATION

PY262206 Paris AFP in Spanish 0229 GMT 26 Jul 84

[Text] Asuncion, 25 Jul -- The Colorado Popular Movement (Mopoco), a dissident faction of the ruling Colorado Party, today published a document containing proposals to the Paraguayan people, proposals which resulted from the Mopoco plenary meeting held in early July.

The Mopoco feels that there can be no democracy without the participation of the Colorado Party, but a Colorado Party that must be open, inspired by the primary sources of its republican calling, respectful of the popular sovereignty of the party members, and one that does not strip away the rights to which every party member is entitled to freely choose and be chosen.

The Mopoco also emphasizes that the Colorado's main objective is to democratize the country, without violence, chaos, nor painful breaks.

The abovementioned document also painstakingly elaborates on salient features of national and international policies, political objectives, the basis for an institutionalization of democracy and the programs aimed at democratizing the intraparty structures based on the effectiveness of internal freedom and respect for popular sovereignty.

PANAMANIAN DEFENSE FORCES COMMANDER ARRIVES

PY261535 Paris AFP in Spanish 2329 GMT 25 Jul 84

[Text] Lima, 25 Jul (AFP) -- General Manuel Antonio Noriega Moreno, the commander in chief of the Panamanian Defense Forces, arrived here today to participate in the celebrations commemorating Peru's national day. Just after his arrival, Gen Noriega greeted President Fernando Belaunde. War Minister General Oscar Brush Noel will tomorrow, Thursday, decorate Noriega with the Grand Cross of the Peruvian Cross for Military Merit during a ceremony at the War Ministry.

To Attend Festivities

PA261729 Panama City Televisora Nacional in Spanish 2300 GMT 25 Jul 84

[Text] General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, arrived in Lima, Peru, today, invited by the Peruvian military hierarchy on the occasion of the 150th anniversary of Admiral Miguel Grau's birth.

On his arrival Noriega was received by ranking Peruvian military officers. Gen Noriega will also meet with ranking Marine and Air Force officers and will visit the country's military centers and bases in a program ending next Saturday, according to sources from the War Ministry. The Panamanian military chief will attend several civic and military events in Lima in commemoration of the Peruvian War of the Pacific hero's birth and the country's independence.

NEW CHAMBER OF DEPUTIES PRESIDENT TO BE ELECTED

PY261615 Lima Cadena Panamericana Television in Spanish 0315 GMT 26 Jul 84

[Excerpts] Elias Mendoza is virtually the new president of the Chamber of Deputies. He won the nomination at the internal elections of Popular Action, beating (?Manuel Dammert) with only a two-vote margin. Present at the elections was Popular Action Secretary General Javier Alva Orlandini.

Considering that Popular Action has a majority in both congressional chambers, Elias Mendoza will most likely become president of the Chamber of Deputies. The official elections in the Chamber of Deputies will take place tomorrow, followed immediately by the swearing in ceremony.

[Begin recording] [Unidentified reporter] What are the main projects to be treated in the Chamber of Deputies?

[Elias Mendoza] I think the vital issue refers to public enterprises; it must be treated. In fact, 50 percent of the current deficit is a result of these enterprises. I also think that we will begin our sessions by issuing the electoral law. We will ensure that this electoral law guarantees to all Peruvians the right to vote. [end recording]

SHINING PATH ATTACKS THREE AYACUCHO TOWNS

PY261620 Lima Cadena Panamericana Television in Spanish 0315 GMT 26 Jul 84

[Text] Three towns in Ayacucho Department, Santa Rosa, Concepcion, and Huaracayo, were attacked by Shining Path guerrillas yesterday and today. Several officials and civilian guards were wounded, according to our correspondent Amrio Cueto Cardenas.

[Cueto] Several officials and inhabitants of Santo Rosa, 210 km northeast of Ayacucho, La Mar Province, were wounded by Shining Path members who carried out an attack yesterday afternoon at 1600. Included among the wounded are Judge Bernabe Navarro, community officials, and members of the Evangelist Church, Emilio Marmolejo, Mrs Ema Saucedo, among others. The detachment deployed to Santo Rosa was withdrawn a few days ago as part of the new strategy being followed by the political-military command.

Meanwhile, the police post in Concepcion, Cangallo Province, was attacked early this morning by members of Shining Path. Civil Guard Lieutenant Matias Vazquez Dias was wounded. It is not known whether the attackers suffered any casualties. The Concepcion police post was partially destroyed.

Not far from that post, in Huaracayo, Shining Path members also carried out several attacks with explosives, setting several houses on fire. Moreover, last night at 1900 a sign of a hammer and a sickle was lighted on the hills of (Huaysagua), northeast of Ayacucho. The forces of order immediately deployed to the area in helicopters and dropped some bombs and machinegunned the place. It is not known whether those who managed to partially light the communist symbol died.

GOVERNMENT RECOGNIZES BROAD FRONT COALITION

PY262051 Madrid EFE in Spanish 2014 GMT 26 Jul 84

[Text] Montevideo, 26 Jul (EFE) -- The military Government of Uruguay this afternoon virtually rehabilitated the entire leftist sector and officially recognized the Broad Front coalition headed by General Liber Seregni. The constitutional decree, which was signed this afternoon by President Gregorio Alvarez, also rehabilitates about 7,000 political leaders who have been banned for the past 10 years.

The rehabilitation of the left is the result of negotiations that political parties and the Armed Forces are carrying out to restore democracy in the country.

As in 1971, the Broad Front, under the banner of the Christian Democratic Party, has been recognized and is now able to participate in the elections scheduled for 25 November.

The dialogue between politicians and the military is being carried out without the participation of the majority of the National (Blanco) Party which demands the freedom of Wilson Ferreira Aldunate, who was arrested and brought to trial after he returned to the country after 11 years in exile.

Act Lifts Restrictions

PY270130 Montevideo Radio Carve in Spanish 0000 GMT 27 Jul 84

[Excerpts] The executive branch has reinstated the Broad Front, authorizing the normal functioning of the Christian Democratic Party and the Socialist Party. Through new Institutional Act 18, the executive branch states that the measure has been adopted to create appropriate conditions for the upcoming national elections. It adds that from its onset the civilian-military process has expressed support for political pluralism through the creation of democratic groups.

Institutional Act 18 resolves that the Christian Democratic Party and the Socialist Party are authorized to exercise all political activities permitted by the Constitution, including groups that in the 1966 and 1971 elections used the following list numbers in their ballots: 3, 31, 37, 77, 90, 177, 190, 777, 808, 890, 988, 1764, 1777, 1810, 1813, 1815, 1808, 3000, 4000, 4199, and 9988. Therefore, as has been announced, the Communist Party, 26 March Group, Popular Union, and Party for Peoples' Victory have not been reinstated.

In the upcoming elections, soldiers and policemen will be allowed to vote under Institutional Act 18 which, in addition to reinstating the Broad Front, establishes changes in electoral rules. All the citizens who participated in the Broad Front lists in the 1966 and 1971 elections will also be allowed to vote in the upcoming elections.

Institutional Act 18 also establishes that citizens who were candidates in the last two elections for the Marxist group that had been outlawed will be permitted to vote in the upcoming elections. However, General Liber Seregni, Juan Jose Crotogini, and Hugo Villar have not recovered the right to vote granted by the Constitution.

While reinstating the Christian Democratic Party and the Socialist Party, the government also lifted the ban on candidates for senators, deputies, and members of electoral and departmental boards who ran on the electoral slates of these two parties and on those of other Broad Front groups. Those who were charged with crimes against the nation or with association with subversive or terrorist organizations have not recovered their right to vote.

Institutional Act 18 maintains the ban on candidates for the presidency, vice presidency, and mayors who ran in the last two elections.

Until now, 11,000 citizens were affected by the ban due to their association with the Broad Front. Now about 6,500 have recovered their political rights.

The Electoral Court will be charged with implementing and regulating Institutional Act 18. In the next few days this court will issue rules permitting the Broad Front to organize itself as a political party and participate in the upcoming elections.

Institutional Act 18 revokes Articles 17, 25, and 44 of the Political Parties Organizational Law. Article 17 required affiliation with a political party to run for elective office; Article 25 provided for expulsion of party members holding public office subject to appeal to the Electoral Court; and Article 44 required that political parties present a single list of candidates for each elective position.

Opposition Leader Comments

PY270213 Montevideo Radio Carve in Spanish 0000 GMT 27 Jul 84

[Excerpts] The secretary general of Group 99, Hugo Batalla, has said that the promulgation of Institutional Act 18 represents a step forward but that the struggle must continue because of the sectors which remain under political bans.

Asked about the significance of the government measure, Batalla told Carve:

[Begin recording] [Batalla] It seems to me that more than the reinstatement of our group, the measure is important because in this way the government admits the political presence of a force that could not be denied the Broad Front. This represents a step forward but not the final step, because there are still important sectors which remain banned. I believe that it is our duty to also struggle for their liberation.

[Reporter] In the light of this decision of the executive branch, Dr Batalla, what step will you and the sector that was then led by (Selvan Miquelino) take in the future?

[Batalla] Well, we have noted that the legal recognition granted to Group 99 will permit us to serve the Broad Front in any way its leaders decide. Until now we have made no decision regarding the elections, because we have been studying political solutions. We have participated in the negotiations. We believe that in the Broad Front plenum we pointed out that the road had to be followed, hoping for a solution through negotiations and making it possible to have elections without excluding any party and then a democratically elected government beginning 1 March 1985. [end recording]

MILITARY TO REVIEW POLITICAL PRISONERS' CASES

WA251512 Rome IPS in English 25 Jul 84

[Text] Montevideo, July 25 (IPS) -- The president of Uruguay's Supreme Military Court said today that the tribunal is set to review the cases of some 700 political prisoners, in response to one of the opposition's major demands. Tribunal President Col Federico Silva Ledesma said that the case reviews will begin in early August, because the military system "cannot be insensitive to national reality." The military court decided to release several political prisoners on July 6, when talks began between political and military government leaders, he said. In those talks, the regime pledged to suggest that the military tribunal review the cases of those prisoners who have served more than half their sentences, to determine whether some can be freed. Silva Ledesma said that case reviews are a legal practice which the military tribunal has been carrying out since 1977. A review of political prisoners' cases is one of the political parties' foremost demands in proposed political reforms.

Representatives of the Colorado and Civic Union Parties and the Broad Front Coalition which includes those groups and the Blanco Party -- the three legal political parties -- have resumed negotiations with the military government to lay the groundwork for elections. Wilson Ferreira, leader of the Blanco Party, and his son, Juan Raul Ferreira, are now in prison. They were arrested on June 16 when the elder Ferreira returned to Uruguay after 11 years in exile. The Blanco Party has refused to join in talks with the regime until Ferreira is released from jail.

BLANCO PARTY LEADERS, FOLLOWERS RELEASED

PY262054 Paris AFP in Spanish 1515 GMT 26 Jul 84

[Excerpts] Montevideo, 26 Jul (AFP) -- It has been learned from party sources that more than 200 leaders and followers of the traditional Uruguayan Blanco Party (center-left) who were detained by the police yesterday were set free in the past few hours. It was also learned that five Blanco leaders, who on 24 July participated in another rally, have also been released after they were tried by the courts.

BLANCO PARTY LEADER CRITICIZES DIVISION

PY262056 Montevideo Radio El Espectador Network in Spanish 1600 GMT 26 Jul 84

[Excerpts] Blanco Party Executive Board member Dr Pablo Garcia Pinto has criticized the existence of divisions among party minorities. He said that what appears to be a Blanco Party that has the necessary support of the majority to rule the country is nothing but a party divided into small factions. Asked by El Espectador, Sport, and Cadena de Oro Radios about the launching of the presidential candidacies of Public Notary Dardo Ortiz and Dr Juan Carlos Paysse, Dr Garcia Pinto said:

[Begin recording] You must be talking about the faction that has sponsored Dardo Ortiz' presidential candidacy and, as of yesterday, the faction that has sponsored the candidacy of Montevideo Intendant Juan Carlos Paysse. These two factions, which claim to support the principles of Herrerism [from late Uruguayan statesman Luis Alberto de Herrera], like other majority sectors, have based their action on their opposition to Ferreira Aldunate, stressing the danger of Aldunate's leadership for the party majority. This categorical opposition against the faction that is clearly the majority sector within the party may end up influencing voters, who may thus give those factions a victory over their contenders. I believe this is not good for an emerging democracy. [end recording]

GOVERNMENT CONFIDENT DEBT TALKS WILL MOVE FAST

WA261313 Rome IPS in English 27 Jul 84

[By Estrella Gutierrez]

[Text] Caracas, July 24 (IPS) -- The Venezuelan Government is confident that the crucial stage in efforts to reschedule part of the country's $34 billion foreign debt will conclude in several weeks. That optimistic prediction is one of the few reports to emerge from the administration's secretive preparations for negotiations with foreign creditors which begin tomorrow in New York.

Carlos Guillermo Rangel, who will present the Venezuelan proposals, is already in the United States with his team, and the Treasury Ministry's finance director, Gustavo Galdo, another key negotiator, left for New York today. The Venezuelan officials will meet with a 13-bank committee representing $450 [as received] U.S., European and Japanese creditors. The official goal of the New York talks is to refinance $14.5 billion of payments which fell due in 1983 and this year.

But Rangel is also expected to propose one formula that would reschedule payments totalling $2.5 billion which mature in 1985. Before beginning discussions tomorrow, Rangel was to declare a 90-day moratorium today on principal payments, the sixth consecutive moratorium called by Venezuela. Venezuela is the first Latin American debtor to go into talks with creditors without reaching a previous accord with the International Monetary Fund. But the IMF has given its blessing to Venezuela's economic adjustment program, and Venezuela is supported in the debt refinancing efforts by its projected oil income of about $15 billion this year and foreign currency reserves of $12.2 billion.

Before leaving Caracas, Rangel predicted that "the negotiation process will end in mid-September." But he said he will return to Caracas after the first round of talks to report to President Jaime Lusinchi on the bankers' initial reaction to the Venezuelan proposals.

Treasury Minister Manuel Azpurua will also represent Venezuela in New York, but will join the delegation later, when the discussions enter a more conclusive stage.

Information Minister Armando Duran reported last night after a special cabinet meeting on the debt that, barring unforeseen obstacles, "the main stage of the renegotiation will end in a few weeks." But the Venezuelan Government will not make public its proposals until the first accords are reached in New York, he added. Duran reported that "after learning the exact situation in which we are negotiating, the cabinet is convinced that we are on an excellent path." Rangel noted, meanwhile, that after the general refinancing is agreed with the creditor committee, Venezuela must then prepare and implement 1,2000 different contracts with specific repayment terms for each creditor. He said that Venezuela will request 10- to 15-year terms for principal payments, but he did not specify what grace period Venezuela will request. Most analysts expect the Venezuelan officials to ask for four or five years of grace on principal payments.

Rangel declined to report Venezuela's position on interest rates, "because everything will depend on the progress in the negotiations." Sources close to the negotiating team say that Venezuela will not request fixed interest rates on the debt, but rather a flexible rate with maximum and minimum limits. Venezuela's public debt totals $27.5 billion, and the private debts are estimated at $6-$7.5 billion.

GUATEMALAN FOREIGN MINISTER SPEAKS ON CONTADORA

PA261603 Caracas Radio Rumbos Network in Spanish 2100 GMT 25 Jul 84

[Report by Luis Alfredo Gomez]

[Text] The Guatemalan Government has asserted that it accepts and advocates, without modification, the act of peace for Central America proposed by the Contadors Group member-states. Guatemala's decision on the matter was ratified in Caracas by its foreign minister, Fernando Andrade Diaz-Duran, who met with his Venezuelan counterpart, Isidro Morales Paul.

Andrade is visiting Caracas to participate in diplomatic and commercial meetings with government officals. When asked about the main reason for his visit to Caracas, the Guatemalan foreign minister said:

[Begin recording] [Andrade] The main reason for my visit to Venezuela is to review and evaluate with Foreign Minister Isidro Morales Paul the progress achieved within the Contadora Group's negotiating process. A couple of days ago we received the Contadora Group deputy foreign ministers in Guatemala, and we officially informed them that Guatemala accepts, without modification, the document called Act for Peace and Cooperation in Central America. We told them we had some observations regarding its formalization and procedures; however, we basically agree with the proposal.

[Gomez] What are the observations?

[Andrade] Well, they refer to the implementation of this definite peace document. According to our system...[Andrade corrects himself] according to the fundamental statues of Guatemala, a special procedure must be followed.

[Gomez] [Question indistinct]

[Andrade] No, no, no, absolutely not. It is simply that they propose we implement the document as soon as it is signed, but in our case the document must be ratified by the head of state. This is a mere formality. As I said, we agree practically with all the proposals. Regarding our observations, we feel that all the security and political aspects must be mandatory for all parties. This compliance should be mandatory and not only a recommendation because it is far more important than all the democratization processes we may achieve in Central America or the guarantee of establishing an authentic political pluralism. [end recording]

BRIEFS

NEW AMBASSADOR TO BARBADOS -- Venezuela has appointed a new ambassador to Barbados. A statement from the Foreign Ministry in Caracas said the new envoy is Jose de Jesus Offio who is replacing Ivan Gabaldon who returned to Caracas last year. Barbados this month appointed lawyer John Connell as its first resident ambassador in Caracas since 1979. [Summary] [Bridgetown CANA in English 1558 GMT 20 Jul 84 FL]

OFFICIAL DISCUSSES REGIONAL TRIP, CONTADORA

FL261852 Mexico City NOTIMEX in Spanish 0130 GMT 26 Jul 84

[Excerpt] Panama City, 25 Jul (NOTIMEX) -- Mexican Deputy Foreign Secretary Ricardo Valero said here today that the Contadora agreement, per se, is a valuable instrument but that a demonstration of political will is needed to continue and deepen the negotiation.

Valero granted an interview to NOTIMEX on his return from the tour that the Contadora Group's deputy foreign ministers took of the five Central American countries last Monday and Tuesday. Valero said that the objective of the trip was to learn in greater detail the observations and comments of the region's governments about the Contadora agreement.

He called the trip very positive, appropriate, and useful, emphasizing that the governments of the area thought likewise.

The deputy foreign secretary denied that there had been a stagnation of negotiations, saying that Contadora is currently in a maturation stage, which requires reflection by the governments.

He said that the Contadora Group prefers that the technical group not meet before there is a adequate preparation. He added that the deputy foreign ministers' trip confirmed that if the Contadora agreement were accepted in principle there would still be important work to be done and that there was considerable evidence to support this view.

The deputy foreign minister pointed out that there are examples of this evidence not only in the area of security, but also in political and social matters. Nevertheless, he said it had been confirmed that there were areas in which there had been agreement.

Valero pointed out that military development in the area had not decreased, and that that situation is one of the main subjects covered by the peace measures. He recalled that despite the announcement that military maneuvers would be suspended, they have begun again.

PEMEX ANNOUNCES OIL PRICES TO BE MAINTAINED

FL261612 Mexico City NOTIMEX in Spanish 0045 GMT 26 Jul 84

[Excerpt] Mexico City, 25 Jul (NOTIMEX) -- PEMEX has announced that it is maintaining the price of its export crudes at $29 per barrel for Isthmus and $25.50 for Maya, in accordance with what was established in the Foreign Petroleum Trade Committee meeting.

PRESIDENT-ELECT VISITS REPUBLIC OF CHINA

For reportage on the visit of President-elect Nicolas Ardito Barletta and his delegation to the Republic of China and his meetings with President Chiang, Premier Yu, and Ardito Barletta's address to businessmen, see the Taiwan section of the 24 July China DAILY REPORT.

GOVERNMENT ORDERS CLOSURE OF RADIO STATION

PA262155 Panama City LA PRENSA in Spanish 25 Jul 84 p 1

[By Wilfredo Justavino]

[Excerpts] David, Chiriqui -- An order closing the La Voz del Baru radio station and canceling its licenses to use the frequencies of 1025 kHz and 173.725 mHz, which were granted in Resolutions No 17 of 5 December 1946 and No 540 of 11 June 1979, was issued yesterday, 24 July, at 1500.

Chiriqui Governor Virgilio Vergara, accompanied by Arnoldo Diaz Wong, social communications director for the Provinces of Chiriqui and Bocas del Toro, and by two Defense Force members, went to the station in David, Chiriqui in accordance with Note No 84-052 ordering the closure of the station, which was up for sale.

The Government and Justice Ministry declared that "the radio station La Voz del Baru, which had been given the frequency of 1025 kHz, does not meet the technical conditions and characteristics specified in Executive Decree No 155 of 28 May 1962."

La Voz del Baru has been receiving threatening anonymous telephone calls for the last 3 months; then, newscast director Genarino Rosas was denied his radio commentator's license; and now, Government and Justice Minister Rodolfo Chiari de Leon has ordered the station's closure and the revocation of its frequencies.

BRIEFS

NEW WEEKLY NEWSPAPER -- TRIBUNA, a new weekly, began circulating on 20 July 1984. Luis Estribi is the newspaper's editor. [Summary] [Panama City LA REPUBLICA in Spanish 19 Jul 84 p 2 PA]

NEW PARTY OFFICIALS -- The Nationalist Liberal Republican Movement (Molirena) has appointed two high officials: Alfredo Ramirez as president, replacing Cesar Arrocha Graell who resigned; and Guillermo Casco Arias as secretary general, replacing Manuel Solis Palma who also resigned. Plutarco Arrocha was appointed deputy secretary general, replacing Casco Arias. The party will choose new leaders at its national convention, to be held in October or November of this year. [Summary] [Panama City CRITICA in Spanish 23 Jul 84 pp 1, 14 PA]

COSTA RICA

BUSINESSMEN SEEK BREAK WITH MANAGUA, MAKE PROPOSALS

PA260446 San Jose LA PRENSA LIBRE in Spanish 19 Jul 84 p 5 A

[Text] At an assembly called last night by the Chamber of Commerce, Costa Rica's businessmen unanimously agreed to ask the executive branch to break relations with the Sandinist regime.

They also made some 30 other proposals, which will be submitted immediately to President Luis Alberto Monge, who will be allowed 30 days to resolve them. The businessmen asked for an investigation of officials possibly linked to the Sandinist attacks and plan for destabilization, and demanded their dismissal if they are even suspected of such links. They also made the following proposals:

-- No negotiations must be entered into while a strike is in progress.

-- Labor leaders who promote illegal strikes must be punished.

-- Public leaders or officials who promoted the takeover of land must be punished.

-- The investigation of the charges filed by the Union of Chambers of a communist conspiracy must be pursued to the final consequences.

-- Neither the Government Council nor the Security Council must assume the right to grant so-called "political space," since clear and conclusive legislation exists, backed by long tradition, that guarantees the freedom of expression and political asylum.

-- Terrorist groups that threaten acts of violence must be punished.

-- Assistance from friendly nations on security issues should be accepted.

-- The executive branch must coordinate its policies with the Legislative Assembly.

-- The president must exercise authority on matters of national interest.

-- The president must prohibit the use of public officials' positions for political campaigning.

-- Public officials must refrain from making promises that their departments cannot fulfill.

-- The Central Bank must act in accordance with eminently technical criteria, free of political influence.

-- The Legislative Assembly must be encouraged to review its accumulated political commitments.

-- The government must give support to those sectors that generate wealth.

-- The executive branch must promise to put an end to the policy of hasty public expenditures and tax increases.

-- It must reduce state bureaucracy and public expenditures.

-- It must issue provisions to promote the national economic system by establishing mixed banking.

-- It must use its influence with the Legislative Assembly to ensure that the reforms to the Currency Law and the Central Bank Organic Law are approved.

-- It must establish prices that will encourage production.

-- It must withdraw from the Legislative Assembly the bill to amend the Consumer Protection Law.

-- It must eliminate all plans to nationalize foreign trade and to restrict free commerce.

-- It must reduce the percentage of the financial sectors' resources used by the government, and allocate them, instead, to the productive sector.

-- It must withdraw the plan that includes a new name for customs taxes.

MORA VALVERDE SEES PREPARATIONS FOR COUP

PA261838 San Jose LIBERTAD in Spanish 20-26 Jul 84 p 3

[By Manuel Mora Valverde]

[Text] The political situation in our country is quite complex. But despite that complexity, something is quite clear: There exists a conspiracy by the capitalist forces of the extreme right and the CIA to destroy our democratic system and to set up a fascist-type dictatorship in our country. We are being led to a civil war with unknown consequences, because no one can attempt to establish a fascist dictatorship in Costa Rica and escape the consequences.

U.S. imperialism wants to turn Costa Rica into a center of conspiracy and operations against Nicaragua.

The right-wing capitalists refuse to bear along with the people the burden of the crisis affecting us. They want to keep their profits intact and have the crisis fall heavily on the people.

The government, obedient to the mandates of the big U.S. bankers represented by the IMF, can control neither increased prices nor taxes, which worsens the misery of the masses and increases the people's discontent.

This is how it works: The native capitalists are led to believe, and this belief is being spread to our small bourgeoisie and the peasantry, that Costa Rica is being threatened with falling "into the clutches of the USSR and Cuba." This is how they have convinced the most economically powerful sector of our capitalism to allow "the United States to protect us, even by occupying us." Of course the U.S. leaders prefer to control our country through a manipulated dictatorship rather than by occupying us, which would be their last resort. This situation has led to a blatant alliance of our capitalist right-wing forces with the U.S. Embassy and the CIA.

Now they are fighting to totally subjugate President Monge to their will and eliminate resistance to their plan to lead Costa Rica to breaking relations with Nicaragua. They want to force him to "purge" the government of ministers and officials opposed to an armed confrontation with Nicaragua.

These ministers and officials are called "communists, servants of Havana and Moscow." This is what they called Msgr Sanabria at one time. For its part, the IMF plays its role without hesitation, forcing the president to continue carrying out a plan of hunger and unemployment. The president hesitates; some ministers support him. But there will be some important personality who will prophetically whisper to him: "Stop this foolishness; come to an understanding with the embassy and the CIA; break relations with Nicaragua. You will see how things will work out!" So far President Monge has not yielded concerning Nicaragua, as he did regarding economic policy. Neither the CIA nor the embassy is satisfied. On the contrary, they are bored and tired of waiting. This explains their preparation of the coup d'etat. Here is some information:

First: A few months ago a group of big capitalists met with a group of political reactionaries in a room of the Hotel Cariari and agreed to carry out a coup d'etat if President Monge remained inflexible. Later these same capitalists organized a conference of publicity directors. At this conference they agreed to coordinate and intensify the slander campaign against Nicaragua to create the conditions necessary for a break in relations. It was also agreed to attack the security minister and bring about his downfall unless he decided to abandon his neutral position toward Nicaragua.

Second: They have worked out a way to introduce weapons into the country, which was not difficult for them. They have trained men, mostly hoodlums, on some farms "to defend democracy and Costa Rica from Soviet invasion." At the same time they will try to convince businessmen not to "yield to workers in the case of strikes, which will inevitably break out because of the critical situation." There is no doubt that the U.S. companies will be easily convinced.

Third: They began by organizing and carrying out the first great provocation against Nicaragua, convinced that this would result in a clash between the two countries. They protested the bombing of the small town of Pocosol by Nicaraguan planes, and within a few hours they announced the invasion of our San Carlos region by the Sandinist Army. Neither the first nor second incident had occured, but a powerful press and radio campaign almost convinced our people that "the time to defend our homeland had arrived." However, they were not successful, their comedy collapsed and our relations with Nicaragua were not broken off. As some important personalities have said, "the plan failed. The security minister and deputy government minister did everything they could, but it was not enough." [sentence as published] This is why they have redoubled their campaign against the security minister. We have learned from an absolutely reliable source that during a friendly gathering the director of a publicity organ said: "If we bring down Angel Edmundo [Security Minister Solano], the president will fall."

Fourth: A few days ago industrialists and merchants decided to give the president an ultimatum under the pretext of making "serious accusations," which are still not known in the country. A commission visited Monge and presented the charges. Previously, however, one of their spokesmen, the "president of Chamber of Representatives of Foreign Enterprises," made a statement which was published in LA NACION's 7 July edition. Regarding these charges, he said, "these are facts, on which we expect actions." "WE WILL GIVE THE HEAD OF STATE SUFFICIENT TIME TO TAKE THE APPROPRIATE MEASURES: IF HE DOES NOT, THERE IS ALREADY AN AGREEMENT AMONG BUSINESSMEN TO MAKE SERIOUS DECISIONS." [capitalized passage published in boldface] As our people say, the message could not be clearer. It was also reported in the same LA NACION edition that [Government Minister Alfonso] "Carro says we must prepare for war." I am quoting a headline which appeared in LA NACION.

Isn't it clear? What war was Alfonso referring to? Does he think that Nicaragua could wage war on us, even if it wanted to?

Well then, Mr Carro, the Costa Rican democratic forces will have to follow your advice. But in my opinion they should prepare not for war but to defend themselves in case the capitalists' and CIA's threats become a reality. Despite these gentlemen's threats, they will not be able to prevent the working class for defending its rights according to the law.

BRIEFS

REGIONAL NOTIMEX OFFICE -- At 1900 tomorrow, Costa Rican President Luis Alberto Monge will inaugurate the Central American regional office of NOTIMEX, which will be located in Paseo Colon. Hector Manuel Leseta, regional director of the agency; (Manuel Alonso), social communications director for the presidency; Armando Vargas Araya, communications minister; and special guests will also attend the event. Two Costa Rican journalists, one assistant secretary, and the regional director will work in the regional office. [Excerpts] [San Jose Radio Impacto in Spanish 1830 GMT 23 Jul 84 PA]

EL SALVADOR

ARMY BEGINS OPERATION, GUERRILLAS ACTIVE ON ROADS

PA261737 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 25 Jul 84

[Text] The Salvadoran Army began a counterinsurgency operation early this morning in northern La Union Department, about 180 km northeast of San Salvador. The targets of the operation are the towns of Anamoros, Poloros, and the northern area of Santo Rosa de Lima. Preliminary reports today indicate that the Army established contact with leftists, who suffered seven casualties. The Army suffered three. Counterinsurgency operations in the region are supported by artillery, the Air Force, and special Cazadores units.

Dozens of vehicles were stopped this morning on the Northern Trunk Highway, 28 km from San Salvador, by soldiers looking for weapons and civilians working as couriers for the guerrillas in the Guazapa area, military reports indicate. At the same time, for almost 2 hours, the Air Force bombed the southern and western foothills of Guazapa Volcano, where reconnaissance flights detected guerrilla groups planning to move to the Northern Trunk Highway. About 1,000 troops supported by artillery and the Air Force began their deployment to the Guazapa Volcano to dislodge the leftists who have been in that sector for the past 4 years.

Since early Wednesday FMLN guerrillas have blocked passage to the town of Suchitoto. According to the guerrillas on the section between the turnoff to La Bermuda and (La Manteca), this is the beginning of their new offensive against the government. The civilian population in Suchitoto has said this new action by the leftists is already causing serious problems, since there is no water service. They said that the situation of the people displaced from the zones of violence is difficult since they need food and medicine that is usually brought by relief organizations. The guerrillas have said they will continue to prevent passage to and from Suchitoto until they receive new orders. Nevertheless, the Armed Force have mobilized several units to reopen traffic to that area of northern Cuscatlan Department.

The FMLN guerrillas began their actions to paralyze traffic in the country's eastern region this morning. They have been attacking government vehicles. This occurred near Gualache in Usulutan Department. According to the civilian population, the guerrillas warned transporters yesterday afternoon that they would begin actions throughout the country. The guerrillas intercepted several vehicles near Gualache, where they set fire to vehicles of [word indistinct] and shot out the tires of 10 other vehicles.

Travel to the city of Usulutan from Santiago de Maria has become difficult because of the presence of the guerrillas, residents have reported.

'HEAVY FIGHTING' REPORTED IN APASTEPEQUE

PA262025 San Salvador Radio Cadena YSU in Spanish 1400 GMT 26 Jul 84

[Text] San Vicente -- In the Tepeyac hamlet in the vicinity of (Santa Paula) near the Pan-American Highway in the Apastepeque area, since 0630 this morning, heavy fighting has been going on, which has created tension throughout the area because of bomb detonations and machinegun fire, but the results are still unknown, Colonel Roberto Rodriguez Murcia has said.

At the same time, according to policemen who had been stationed on the (Tehuapa) bridge, two military units from the 5th Infantry Brigade left for the northern part of the country as supposed reinforcements for the clashes, which at about 0700 were continuing with the same intensity.

Meanwhile, a large group of soldiers has been stationed in the areas surrounding the military installations as an emergency measure to prevent infiltration of extremists into the town. In addition, patrols have been ordered of the main entrances to this city.

A ranking military chief has said that since the day before yesterday the Atlacatl Battalion, with support from the Air Force, artillery, and 5th Infantry Brigade troops, has been patrolling Cerro de San Pedro, and heavy fighting has occurred. These resulted in more than 30 rebel casualties, Lieutenant Colonel Roberto Rodriguez Murcia said, and the confiscation of a large quantity of war materiel, not yet specified.

13 Soldiers Killed

PA262026 San Salvador Radio Cadena YSU in Spanish 1800 GMT 26 Jul 84

[Report by Ramiro Paredes]

[Excerpts] This is a last-minute report from San Vicente by Ramiro Paredes. A total of 13 soldiers of the Jiboa Battalion, 5th Infantry Brigade, died during fierce fighting today in Tepeyac, Apastepeque. The majority of the bodies sustained extensive wounds to the head, practically destroying their skulls and making identification difficult. In addition, in most cases their uniforms and equipment had been removed. According to reports from transporters transiting the Pan-American Highway today, victims in undergarments were lying on the roadside. At the same time many relatives were waiting outside the health center, trying to obtain information or identify soldiers based at this military garrison. It has also been reported that 17 soldiers were wounded, 13 of whom were transferred to the military hospital by helicopters of the Salvadoran Air Force. Four received emergency attention at the local hospital and first-aid room of the 5th Infantry Brigade here.

FPL FRONT'S BULLETIN RECOUNTS ACTIVITIES

PA261552 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 25 Jul 84

[Text] The following war bulletin of the Clara Elizabeth Ramirez Front of the People's Liberation Forces [FPL] was sent anonymously to Cadena Sonora. It provides a summary of the front's political-military operations from 1 June to 15 July 1984.

The war bulletin reports the dynamiting of a high-tension tower near San Antonio Abad; the placement of propaganda banners on the road to the port of La Libertad during which a clash with the enemy occurred; the execution of civil defense member Francisco Urrutia in the jurisdiction of Quezaltepeque; the dynamiting of a Shell gasoline station on the General Escalon Avenue; the toppling of two electric power posts and the placement of banners in the Utila neighborhood of Santa Tecla; the sabotage of the San Jose branch of the Commercial Agriculture Bank [Banco Agricola Comercial]; an attack on Jose Ernesto Quintanilla, an enemy of the working class who is the personnel chief of Synthetic Industries of Central America [Industrias Sinteticas de Centroamerica]; the execution of Miguel Angel Portilla Tejada, a (?member) of the death squad who was accredited by the government's Defense Ministry; the sabotage of a high-tension tower between Quezaltepeque and Nejapa; the execution of Ricardo Hernan Cortes, a legal adviser of repressive forces; an incursion into Quezaltepeque to sabotage electricity; propaganda operations and painting of propaganda slogans in the Santa Rosa neighborhood near the Northern Trunk Highway; the execution of Oscar Antonio Flores near the Monte Bello neighborhood by urban guerrilla commandos; the sabotage of a high-tension tower at km 11.5 of the Northern Trunk Highway; the "19 July" operation in celebration of the anniversary of free Nicaragua; and sabotage of electric power at km 11 of the Northern Trunk Highway.

This is the war bulletin that the FPL's Clara Elizabeth Ramirez Front sent to this station.

VENCEREMOS REPORTS ON FIGHTING IN APASTEPEQUE

3 Army Companies Ambushed

PA262007 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Jul 84

[Text] Attention, your attention, Salvadoran people. Your attention to this report containing preliminary information on the victorious battles waged by our army on the strategic Pan-American Highway. Your attention. This is a preliminary report.

Today, 26 July, joint FMLN forces belonging to the Rafael Aguinada Carranza Battalion, the Luis Adalberto Diaz Detachment, the Ernesto Nogales Sandoval Battalion, and the Andres Torres Battalion at 0530 ambushed three companies of the (Canas) and Tehuacan Battalions of the 5th Infantry Brigade of San Vicente on the Pan-American Highway at the turnoff to (Los Cocos) and Cruzadilla of Apastepeque. In these intense battles, the enemy suffered a large number of casualties, and we captured many prisoners of war. So far we have seized 30 rifles and other equipment, including a PRC-77 radio.

United to fight until final victory; revolution or death, we will win!

This war bulletin is signed with Commander (Milton Mendez), (Miguel Mendoza), and (Ramon Suarez) and is dated 26 July 1984.

Reinforcements Attacked

PA270154 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Jul 84

[Text] Your attention, please. A new report from San Vicente Department indicates that the Jiboa Battalion forces that the dictatorship sent to reinforce the three companies that were ambushed on the Pan-American Highway have run up against strong resistance from our fighting units south of Santa Clara, in San Vicente Department. Reports indicate that the 5th Infantry Brigade's Jiboa Battalion suffered many casualties in the fighting against our combat units south of Santa Clara.

We repeat: In its desperation, the dictatorship tried to assist the three companies that were ambushed on the Pan-American Highway at the turnoff to (Los Cocos) and Cruzadilla, in the Apestepeque area.

It sent the Jiboa Battalion, which ran into strong resistance from the fighting units we had south of Santa Clara in San Vicente Department.

Our forces have inflicted numerous casualties, both dead and wounded, on the reinforcements from the Jiboa Battalion. Press correspondents have reported that at least 13 soldiers died and that 17 seriously wounded soldiers -- including a lieutenant cadet -- have been admitted to hospitals in that part of the country.

We repeat: Radio stations in the capital have reported, citing unofficial preliminary reports, that no fewer than 13 soldiers died and 17 were seriously wounded, including a cadet, from the Jiboa Battalion's reinforcements units. In a statement for newsmen in the capital, Lieutenant Colonel Rodriguez Murcia admitted at least 13 dead. According to another report, the dictatorship's helicopters were evacuating many wounded troops from the puppet Army who fell victim in the ambush and in the fighting against the (?Jiboa Battalion) reinforcements.

GUATEMALA

GOVERNMENT PLEASED BY PROGRESS OF U.S. AID PACKAGE

WA271107 Rome IPS in English 25 Jul 84

[Text] Guatemala City, July 25 (IPS) -- Guatemalan Government officials said yesterday that they are pleased that a $72 million aid package for Guatemala has been passed by the agriculture subcommittees in the House and Senate.

According to Guatemalan Agriculture Minister Edgardo Perdomo, the approval of the aid package by the two committees is an "important step" towards the approval of the package by the entire Congress.

Relations between Guatemala and the United States have improved since Ronald Reagan took office in 1981. During the Carter administration aid to Guatemala was resumed [as received] due to persistent reports of human rights violations in the Central American country.

The Guatemalan military government, headed by Gen. Oscar Mejia, has promised to hold presidential elections next year.

HONDURAS

GOVERNMENT APPROVES NICARAGUAN AMBASSADOR

PA261739 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 26 Jul 84

[Text] Here is a last-minute report: The Honduran Government has agreed to the appointment of a new Nicaraguan ambassador, Danilo Abud Vivas, who had previously acted as charge d'affaires at the embassy in Tegucigalpa.

Abud Vivas will replace Edwin del Carmen Zablah, who was declared persona non grata by the Honduran Government after a Honduran helicopter was shot down by members of the Sandinist Army. This would seem to indicate that bilateral relations are improving.

PAZ BARNICA ON SALVADORAN STANCE AT BORDER TALKS

PA261645 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 26 Jul 84

[Foreign Secretary Edgardo Paz Barnica interviewed by Gustavo Rubi; date, place not given -- recorded]

[Text] [Rubi] Yesterday the joint Honduran-Salvadoran border commission held a meeting. Is El Salvador willing to negotiate on the border situation?

[Paz Barnica] Yes, the Honduran and Salvadoran joint border commission ended a meeting yesterday at which they continued working, through direct negotiation, to resolve the border problem between the two countries, based upon the 1980 general peace treaty. We are evaluating the Salvadoran Government's behavior, because this is the first meeting with them since Jose Napoleon Duarte became president. I would like to say, without going into details, that El Salvador does not have an understanding attitude -- and this was demonstrated yesterday -- corresponding to the understanding that the (?Honduran Government) has shown.

[Rubi] From this statement we understand that El Salvador does not want to come to an agreement with Honduras. Will our country therefore be forced to stop training Salvadoran soldiers at the Regional Military Training and Security Center?

[Paz Barnica] We are evaluating the results of the meeting, and to begin with I can say that El Salvador has shown no understanding regarding our effort to hasten the negotiations under way, as President Duarte pledged when he visited Honduras a few days before his inauguration. In a joint communique with President Suazo, he promised to speed up the negotiations in order to define our borders within a short period of time. (?This matter) has to be analyzed in depth, and all actions taken should be reciprocal.

[Rubi] The Salvadoran Government has the political will to conduct definite negotiations with Honduras, but when will it have a real desire to reach a definite agreement?

[Paz Barnica] I really have not seen a clear political desire on the part of the salvadoran Government to resolve the border problem, but we trust that with President Duarte we will be able to achieve this political will. When? I cannot say because it depends on the Salvadoran Government. I can say that, as you well know, the general peace treaty established a deadline for the direct negotiation phase that expires at the end of 1985. The areas of controversy not stipulated in the treaty are to be resolved in this time frame. After this deadline there is a commitment -- and this is stated within the bilateral juridical document -- to appear before the International Court of Justice at The Hague. It is important for El Salvador to understand this situation and act on the basis of reciprocity and in the best interests of both countries in order to achieve permanent, peaceful coexistence. When borders are not defined and demarked, there can be no peaceful coexistence based on mutual respect.

[Rubi] The foreign secretary declined to comment on Honduras' being forced to go to international organizations if El Salvador does not agree to make definite arrangements. Questioned about this he said:

[Paz Barnica] Because this is a very delicate matter, I prefer to refrain from commenting.

[Rubi] Mr Foreign Secretary, it seems that no one in El Salvador wants to be committed to making a definite agreement with Honduras.

[Paz Barnica] Well, in El Salvador there is a government that was freely elected by the people, a constitutional government, and it is up to this government to fulfill international agreements, in this case those things agreed upon in the general peace treaty.

[Rubi] Are we prepared and well enough documented to present our case at The Hague?

[Paz Barnica] Honduras is prepared, through direct negotiation or at any international judicial forum -- in this case the International Court of Justice -- to defend its national interests and its territorial rights, as well as the nation's sovereignty. Thank you.

NICARAGUA

GOVERNMENT MARKS MONCADA ANNIVERSARY IN CUBA

Ortega Message to Castro

PA262236 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 26 Jul 84

[Text] Commander Daniel Orgega, coordinator of the Junta of the Government of National Reconstruction, has sent a message to Commander in Chief Fidel Castro, president of the Councils of State and Ministers of the Republic of Cuba, on the occasion of tomorrow's commemoration of the 31st anniversary of the historic attack on the Moncada Barracks, which marked the beginning of the end for the Batista dictatorship.

Commander Ortega's message says in part: Now that 31 years have passed since this heroic feat, our peoples continue to advance in their constant struggle for peace and true democracy.

Borge Leads Delegation

PA262208 Managua BARRICADA in Spanish 25 Jul 84 p 12

[Text] A high-ranking delegation from the FSLN and the revolutionary government will leave for Cuba tomorrow to participate in the celebrations commemorating the 31st anniversary of the assault on the Moncada barracks.

The delegation is led by the Commander of the Revolution Tomas Borge, FSLN National Directorate member and minister of the interior. Other members of the delegation are Brigade Commanders Lenin Cerna and Hugo Torres, Commander Doris Tijerino, Arnulfo Urrutia, Deputy Foreign Minister Jose Leon Talavera, and Samuel Santos, minister of Managua reconstruction.

40 CONTRA CASUALTIES REPORTED IN EPS-FDN CLASHES

PA270427 Paris AFP in Spanish 0155 GMT 27 Jul 84

[Text] Managua, 26 Jul (AFP) -- It was reported today that troops from the Sandinist People's Army [EPS] and units from the Nicaraguan Democratic Force (FDN) engaged in fierce clashes in mountainous regions of Matagalpa and Nueva Segovia Departments on Tuesday and Wednesday.

The Nicaraguan Defense Ministry announced that 40 "contras" were killed on those 2 days near Matiguas, Matagalpa, about 190 km north of Managua, where the Army is carrying out a counterinsurgency operation.

According to the report, Sandinist troops clashed in that area with a rebel task force that consisted of 120 men, "40 of whom were killed, including its chief." The report added that the rebels suffered 12 more casualties in clashes in the area of Quilali, Nueva Segovia, but it does not mention Sandinist casualties.

In addition, it was announced that the State Council will discuss a draft bill next week to grant social protection to Army members, reserves, and recruits who are involved in the Patriotic Military Service (mandatory). According to the proposed bill, reserves and militiamen would receive a salary equal to that paid by the companies at which they were working when they were conscripted. The plan is for the Defense Ministry to remunerate those combatants who are unemployed at the time of enrolling in the Army's ranks. It is also intended to prevent law suits against members of infantry and reserve battalions, militiamen, and recruits who are on active duty.

OFFICIAL PROTESTS IADB INTERVIEWS WITH CONTRAS

PA251902 Managua Domestic Service in Spanish 0300 GMT 25 Jul 84

[Text] Nicaragua's representative at the Inter-American Defense Board, IADB, Deputy Commander (Constantino Tapia Roa), has lodged a strong protest with the organization because its general staff interviewed leaders of counterrevolutionary organizations when preparing its quarterly intelligence report. The information was revealed today in Washington by Nicaragua's delegation to the OAS. Deputy Commander (Tapia) asked if the IADB's general staff, which is comprised of officials from the armed forces of OAS member states, normally interviews leaders of armed groups that are struggling to defeat member governments of the board, during the process of preparing the report. If this procedure is only followed regarding Nicaragua, it would lead us to believe that this is part of the so-called covert war that the current U.S. Administration is carrying out against my country, Deputy Commander (Tapia Roa) asserted.

NEW MISKITO INDIAN ORGANIZATION FOUNDED

WA271018 Rome IPS in English 25 Jul 84

[By Carlos Salazar]

[Text] Puerto Cabezas, Nicaragua, July 25 (IPS) -- A new organization of Nicaraguan Miskito Indians, called Misatan, says it will work to reunify the indigenous group and encourage Miskitos to return to the Coco River region in northern Nicaragua. Three hundred delegates of 82 indigenous communities met in this Caribbean port town last weekend to found the new Miskito organization and elect its leaders. Misatan has support from the Sandinist government, which has a history of poor relations with the indigenous groups on the Caribbean coast. Government spokespersons admitted than many Miskitos will thus be initially suspicious of the new organization because it has backing from non-indigenous Nicaraguans, whom the Indians refer to as "Spanish." Misatan leaders pledged to promote Miskito support for the government while keeping in mind the indigenous people's specific needs.

In January 1982, Nicaragua's Sandinist government moved many Miskitos from their traditional homeland on the banks of the Coco River to settlements deeper into Nicaraguan territory. The government said the move was necessary to protect the Miskitos from attacks by anti-Sandinist guerrillas based across the border in Honduras but the action has drawn charges that the Sandinists are forcibly detaining the indigenous people.

After the Sandinists deposed the Somoza dictatorship in July 1979, the new Nicaraguan rulers helped found an organization of the Miskito, Sumu and Rama indigenous groups, called Misurasata. Misurasata leader Steanman Fagoth then broke with the Sandinists and encouraged about 17,000 Indians to join Nicaraguan insurgents in Honduras.

The coordinator of Misatan, Fornes Rabonesn, said that "now the Sandinista revolution gives rights to all." Misatan will be "the voice of our people to defend our rights," he said. We have a revolutionary government which is looking for ways to resolve the problem of the (indigenous) families," Rabonesn added, "and there is a Sandinist Front with representatives in our communities." "We don't want our Miskitos to cross over to the other side in Honduras," he said, calling on all indigenous communities to work with Misatan to help reunify the indians. The Miskitos in Nicaragua number about 40,000 or three percent of the total population and 14 percent of the people in Zelaya province.

Both government and indigenous spokepersons told IPS that Misatan will initially face resistance from the Indian communities. Before supporting something, the indigenous people "first see if it works and benefits them," according to Lottie Cunningham, a Miskito nurse and relative of the government minister for northern Zelaya, Mirana Cunningham. The government's designation of Mirna Cunningham, a physician, as minister to the region was seen as an effort by the Sandinists to improve relations with the Miskitos and encourage Miskito support for the government. Misatan leaders said the group will encourage Miskitos' participation in development projects, work to resolve the Miskito's land ownership problems, seek official recognition of the Miskito language as the second national language and promote a bilingual education project. Willian Ramirez, the Sandinist National Liberation Front (FSLN) representative in northern Zelaya, said at the Misatan founding ceremony that the Sandinists will continue to support land distribution to the Miskitos, and pledged that the Indians can return to the Coco River region when the rebel attacks die down.

PASTORA REASSERTS ARDE LEADERSHIP, PRAISES CRUZ

PA262225 Panama City ACAN in Spanish 1920 GMT 26 Jul 84

[Text] San Jose, 26 Jul (ACAN-EFE) -- Guerrilla leader Eden Pastora today reasserted that he represents the "true" Democratic Revolutionary Alliance (ARDE) and confirmed his "full support" for Arturo Cruz, the opposition candidate for Nicaragua's presidency.

"If (Alfonso) Robelo shows me a single armed man who responds to him, I will bow out immediately and relinquish command to him," Pastora told the press over a radio-telephone patch.

Pastora, who claims to be in the mountains in southern Nicaragua, accused Robelo, who signed a merger agreement yesterday with the Nicaraguan Democratic Force [FDM], the other anti-Sandinist organization, of having placed "his economic interests above everything else." Robelo, who is a businessman and ARDE's political leader, reached an agreement yesterday with Adolfo Calero, foremost leader of the FDN, which is fighting against the Sandinists in northern Nicaragua near the Honduran border, in accordance with which their organizations will continue their struggle "jointly."

Pastora and Robelo parted ways in June over differences about the issue of unity with the FDN. The guerrilla commander accused his former associate of having allied himself with "former Somozist guardsmen, who have been rejected by the Nicaraguan people."

"Commander Cero" also accused Robelo of having ordered this week's theft of the only helicopter ARDE's forces had available to evacuate their wounded.

According to "Commander Cero," the organization's political leader has kept four small planes and ammunition, "which friendly people long ago sent to the mountains in the south," for his own use.

Pastora and the leaders who follow him praised the "personal bravery" of Arturo Cruz, presidential candidate of Nicaragua's domestic opposition, and noted that the political path "may yet prove the most appropriate way to end the struggle."

The radio-telephone press conference with Pastora was also attended by Jose Davila, representing the Christian Democratic Solidarity Front; Brooklyn Rivera, representing the Miskito, Sumu, and Rama Sandinist Unity Indian group; Donald Castillo, representing the workers; and Carlos Coronel, Commander Cero's political adviser. Davila declared that "Robelo signed a pact on behalf of ARDE, and this was a deception, for he signed on behalf of something that is not his." Coronel noted that "unity cannot be prefabricated." For his part, Rivera stressed that "Pastora is supported by all of the fighters in the mountains."

PASTORA ON FIGHTING, ARDE SITUATION, FOREIGN AID

PA260500 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2300 GMT 24 Jul 84

[Report on an interview with Eden Pastora "in the mountains of southern Nicaragua" by unidentified journalists; date of interview not given -- passages within quotation marks are recorded]

[Excerpts] A newsman asked Commander Pastora about those who are accusing him of trying to maintain political and military control. His reply was that he is both a military man and a politician. Maybe I am not the most intelligent nor the brightest individual, but my actions represent Sandino and the Nicaraguan people's ideals, Commander Pastora said. My actions are the result of careful thinking and reasoning, he added.

He went on to say: Those false politicians and leaders do not have the moral authority or the political experience to judge me as they do. We must not forget that politicians were rendered useless by Somoza, and that he acted as he pleased to inflate and deflate the egos of those who rivaled him financially, Pastora pointed out.

This problem, Pastora said, still persists among politicians who want to oppose the Marxist-Leninist regime in Managua; they have not been able to align their views to those of the people because they simply do not have the people's support.

On the other hand, Psstora represents the people; he has been a part of the people, he has lived for the people and he is fighting for the Nicaraguan people. Eden Pastora Gomez is participating in a war that is a part of our political action, the only alternative left in Nicaragua today.

As a politician and a military man, Commander Cero added: I am in the mountains to wage war at the side of the peasants, who are asking me for arms so that they can rescue the true Sandinist revolution. I am participating in an action that requires both thought and bullets. There is no hatred, brutality, cowardice, or evil self-interest in my actions, Pastora said. I am here in the mud, burdened by need, enduring all sorts of personal sacrifices; I am not in Costa Rica playing at petty politics, gossiping, deceiving the news media, and planning so-called liberation movements while having a good time, he added.

We are involved in a war to eradicate the totalitarian regime and to prevent the return of the hateful Somozist past, Commander Cero indicated. We cannot allow partisan interests to be placed above the nation's interests as a whole, he said.

"Sandinism represents the defense of the nation's interests. Sandinism is nationalism, the country's sovereignty, national dignity, work and honor. We are going to defend the country's sovereignty with dignity, a Sandinists, as we were taught by Sandino, by Zeledon and the martyrs of our revolution, free of foreign intervention. No one is going to tell us how to kill, if we must kill one another. We do not need anyone to tell us how to torture our Nicaraguan brothers. We are opposed to torture, to political crime, and to terrorism. This is because we are Sandinists and love our country. We love the peasants, the workers, the market vendors and the Nicaraguan mothers.

"We have to carry out a revolution in a responsible way, led by honest men who know what they are doing. We want a revolution that serves as an example for Central America. "A revolution does not concern only health and education. Revolution is freedom, freedom of expression, freedom of organization, freedom of opinion, freedom of movement, freedom of religion. We want a revolution in which priests know they are priests and in which politicians are politicians. We want a revolution in which no one takes advantage of the Catholic faith to create Sandinist propaganda."

The newsman asked Commander Pastora about the alleged expulsion of the Sandino Revolutionary Front [FRS] from the Democratic Revolutionary Alliance [ARDE] and asked which group would retain the ARDE title. Commander Pastora responded that he did not care. The fact is, he said, that we control 130 kilometers of the San Juan River and more than 6,000 square kilometers of liberated territory in the southern, central, and Atlantic areas of Nicaragua. This, Commander Pastora pointed out, is free Nicaraguan territory. There are 50,000 peasants here and 10,000 Nicaraguans fighting as guerrillas; if they are trying to turn ARDE into something else in San Jose, Costa Rica, so be it, Commander Cero said.

It does not make any difference now who takes shelter under the ARDE name; what matters is that they live up to the oath that they made to the Nicaraguan people, who are still facing a bloodbath. I am not going to fight over names; in any event, if we cannot get together again in unity, it would be sufficient that we all remain loyal to the FRS, whose background, loyalty to the Nicaraguan people, and direct opposition to totalitarian systems is the oldest and most significant in the past 50 years of our country's history.

Commander Pastora said: I hate war, but I am waging war because it is the only way to defeat the nine traitors, who have betrayed the Sandinist people's revolution. It is the only way to fight those who have sold Nicaragua to Soviet imperialism and who are using mercenaries to massacre the Nicaraguan people, he said. War is not democratic, but war can be waged on behalf of democracy, Commander Pastora indicated.

To fight against armed men, it is necessary to have a responsible leader; tough if necessary, but not democratic, Commander Cero said. At the moment when decisions must be made, one cannot consult everyone, because the enemy's bullets don't leave enough time, he added. That is why they say I am a dictator, just as they said about Sandino, whom the extreme right is portraying as a communist merely because he opposed the gringo invaders.

Pastora said that his troops are intact, though facing hardships of an unequal war against the Cuban-Soviet occupation Army. Pastora said that the nine Marxist-Leninists in Managua want war only because they have never fought a war.

When a foreign journalist asked him why he criticized the CIA, Pastora said: I have criticized the United States because of the political mistakes it has committed in Latin America throughout history, but I am not anti-American, and I sympathize with the American people. I am aware of both its virtues and its defects, Pastora said. I have said that the CIA is to blame for many of the problems that affect Nicaragua, because it did not want to open its eyes in 1979 and take action to stop what was already an obvious case of Cuban-Soviet intervention. Instead, it continued to support the traitors that it is now trying to overthrow, Pastora indicated.

One newsman asked Pastora if he has received aid from the CIA. He said that he has received support from people who believe in his cause and in him as an individual; this probably includes the CIA. However, the assistance has been scant and I have never accepted undignified proposals or assumed a submissive attitude, Pastora declared.

He added that the aid from the CIA has been very little compared to what it has given to the Nicaraguan Democratic Force in the north, where they are willing to submit to its demands.

Most of the aid that we have received has come from Europe, not from the CIA, and from some Latin American countries, from some of our Costa Rican brothers, who realize that we are the barrier that prevents Managua's subversive plans of invading Costa Rica, a country that I love and respect, Commander Cero said.

Pastora said that his 10,000 men need rifles, supplies and money, and that the world should come to their aid if they want democracy to prevail in Nicaragua someday.

BRIEFS

INTERIOR MINISTRY BATTALION -- Granada -- Deputy Commander Saul Alvarez, the interior minister's delegate for the 4th Region, this weekend presented to the Sandinist People's Army the first detachment of cooperating forces from this ministry which is joining the Patriotic Military Service. The battalion, which bears the name Heroes and Martyrs of the Interior Ministry, is formed by volunteer policemen and firefighters, who constitute the cooperating forces of this military organization. [Text] [Managua Domestic Service in Spanish 0300 GMT 24 Jul 84 PA]

YOUTHS JOIN MILITARY -- One thousand of Sandino's youths will depart today for somewhere in Nicaragua to serve in the Patriotic Military Service by fighting against CIA mercenaries who are trying to trample our national sovereignty. The 19 July Sandinist Youth Movement will present this juvenile contingent to the officers of the Sandinist People's Army, EPS, the military organization that coordinates these brave youths' mobilization. [Excerpt] [Managua Radio Sandino Network Spanish 1200 GMT 25 Jul 84 PA]

SOVIET UNION, NICARAGUA MARK MONCADA ANNIVERSARY

Ustinov Sends Message

FL261230 Havana Television Service in Spanish 1100 GMT 26 Jul 84

[Text] Moscow -- Soviet Defense Minister Dmitriy Ustinov has sent a message of congratulations to Cuban Revolutionary Armed Forces Minister Raul Castro Ruz on the occasion of the anniversary of this country's day of national rebellion.

Tomas Borge Arrives

FL260139 Havana Domestic Service in Spanish 2300 GMT 25 Jul 84

[Text] Commander of the Sandinist Revolution Tomas Borge, the Nicaraguan interior minister, arrived in Cuba this afternoon heading the Nicaraguan delegation that will participate in the main ceremony commemorating the 31st anniversary of the attack on the Moncada Barracks. At Jose Marti International Airport, Tomas Borge made this exclusive statement for "El Rapido."

[Begin recording] We have come here to share in the jubilation of the Cuban people, to be next to the Cuban people and next to Fidel, next to our brothers of the Communist Party of Cuba, to tell them once again what we already said once when we spoke to the Cuban people: that Cuba's friends are Nicaragua's friends, and Cuba's enemies are Nicaragua's enemies, just as we know that Nicaragua's friends are Cuba's friends and Nicaragua's enemies are Cuba's enemies. Greetings to all Cubans. [end recording]

CANA PREVIEWS CASTRO ANNIVERSARY SPEECH

FL261820 Bridgetown CANA in English 1803 GMT 26 Jul 84

[By Lionel Martin]

[Text] Cienfuegos, Cuba, July 26 CANA-REUTER -- Crowds gathered along the seafront of this Caribbean port today to hear Cuban President Fidel Castro make his major speech of the year. It was indicated Castro would attack U.S. policy towards Central America as well as conducting his customary review of Cuba's economic and social progress in this, his 25th year of power. By evening a crowd of 100,000 people was expected to pack the newly-completed square to celebrate the 31st anniversary of a guerrilla raid that marked the first shot in the revolution that swept Castro to power in 1959.

The speech comes amid widespread concern here that President Reagan is waiting only to be reelected before stepping up U.S. efforts to topple Nicaragua's leftist government, communist Cuba's main ally in the region. The Cuban leader is well aware that at last year's July 26th speech he was flanked by Grenadian Premier Maurice Bishop who was ousted and killed only three months later, triggering an American-led invasion.

The attack on Grenada and Reagan's support for the Nicaraguan rebels have shown what the Yankees are capable of and we are taking no chances, said one official, referring to Cuba's increased militia recruitment and defence preparations.

Yesterday's edition of the officlal newspaper GRANMA, in a front-page editorial, set the expected tone of the speech. The aggressions and hostility of the North American Government in Central America and the Caribbean have transformed this part of the world into a focus of international tension, it said.

The Grenada invasion, which killed 24 Cuban workers and wounded more than 50, strained relations between Havana and Washington to near breaking point through a visit last month by the Rev Jesse Jackson has led to both sides resuming talks. Castro normally also uses the anniversary speech to reiterate his goals for the revolution, praising the people for their achievements over the year and calling for even greater efforts in the future. Delegations from throughout the communist and non-aligned world are here for the celebrations. The main guest is Ghanaian leader, Flight Lieutenant Jerry Rawlings.

GUYANA'S REID ARRIVES FOR MEDICAL TREATMENT

FL251635 Bridgetown CANA in English 1953 GMT 24 Jul 84

[Text] Georgetown, Guyana, July 24, CANA -- Prime Minister Dr Ptolemy Reid is in Cuba for medical treatment and government sources hinted that he may soon step down. Reid, 69, went to Havana on July 16 complaining of "pains about the body," a government spokeswoman said. He is expected to be there for a further two weeks. The spokeswoman said Reid "had not been in the best of health" and hinted at the possibility of him stepping down.

Political sources said that Vice President and Attorney General Mohamed Shahabudeen is in line for the job. Reid has been prime minister since October 1980 when the island's new socialist constitution took effect. Accompanying him to Cuba were Health Minister Von West Charles and two local specialists.

U.S. USING 'PIRATE RADIO STATION' IN PORTUGAL

PA27005 Havana International Service in Spanish 1800 GMT 26 Jul 84

[Text] Luis Lazo, PRELA's correspondent in Lisbon, now discusses the U.S. ideological intervention in Portugal through the use of a clandestine radio station that has been installed in the country:

[Begin recording] The United States has been meddling in Portugal and carrying out ideological penetration through the well known means of propaganda that are at its disposal. In this particular case, the United States has also been using a U.S. radio station, which has been described by various press agencies as a pirate station.

Authorized by a simple executive order from the Transportation and Communication Ministry [as heard], the radio station has been broadcasting from a NATO headquarters located at [place name indistinct], on the outskirts of Lisbon. The station's broadcasts have been announced as intended for relatives of the U.S. citizens assigned to this bellicose organization. Although the station's broadcasts are intended for the people mentioned, its 24-hour FM programs in English actually reach more than 2 million Portuguese in an extensive area that includes 14 municipalities.

Portugal's Radio Broadcasting Information Council, as well as other news media, have deemed the authorization for this foreign radio station a rather strange privilege, given the fact that the ministry has refused to allocate frequencies to Portuguese citizens seeking to open for local radio stations. According to the press agencies, the U.S. pirate radio station was authorized in 1980 by the former Portuguese Government, but began operating this year under the approval of the current government coalition of Socialists and Social Democrats, which has also made several concessions [words indistinct] to the United States.

In this regard, some deputies, even those from the ruling Socialist government, have demanded that this authorization be clarified and are pressuring the government, which apparently does not consider the privilege granted on such a delicate matter in the public domain to be offensive to the Portuguese people. [end recording]

FMLN BEGINS CONSTRUCTION OF SHELTERS

FL261310 Havana Domestic Service in Spanish 1000 GMT 26 Jul 84

[Text] FMLN troops have started building shelters for Salvadoran civilians and guerrillas against saturation bombings. The guerrilla station Radio Venceremos has received intelligence reports, in guerrillas' hands, on U.S. plans that favor massive air attacks against FMLN guerrilla controlled areas and civilian targets in the region.

These reports confirm that the U.S. National Security Council has ordered the Pentagon and the CIA to conduct a wide range of operations -- which include military actions and air attacks against guerrilla positions. Coinciding with Radio Venceremos reports, the regime's Air Force let loose a merciless bombing over supposed guerrilla positions in Guazapa Tlill, Guazapa, 25 km north of San Salvador.

Further Report

PA261841 Havana International Service in Spanish 1600 GMT 26 Jul 84

[Text] The Salvadoran regime has bombed for 3 hours alleged guerrilla positions on Guazapa Hill, some 26 km from San Salvador. The regime's Air Force used 500-lb bombs, and the attack was so fierce that the rocket and bomb explosions were even felt in the Salvadoran capital.

Due to this situation, FMLN forces are building anti-aircraft shelters to protect the civilian population and the guerrilla members from the bomb attacks. Members of the Salvadoran community in the United States will participate in a march for peace and justice in Central America on 1 August. This information was provided by organizers in the U.S. city of Cleveland, Ohio.

FSLN REJECTS DIALOGUE WITH REBEL LEADERS

PA261904 Havana International Service in Spanish 1600 GMT 26 Jul 84

[Text] Daniel Ortega, coordinator of the Nicaragua Junta of the Government of National Reconstruction, has reiterated his rejection of reconciliation with counterrevolutionary leaders, which has been proposed by extreme right opposition parties through presidential candidate Arturo Cruz. There can be no reconciliation with those who are murdering our people, Ortega told PRELA shortly after delivering a speech to mark the fifth anniversary of the newspaper BARRICADA, official spokesman of the FSLN.

Cruz, presidential candidate for the so-called Ramiro Sacasa Guerrero Democratic Coordinating Board, has said he will participate in the elections if there is a national dialogue which includes counterrevolutionary leaders Eden Pastora, Adolfo Calero, and Alfonso Robelo.

Daniel Ortega said these men are tools of the aggressive U.S. policy against Nicaragua, and Arturo Cruz talks calmly about them in Managua, completely disregarding the Nicaraguan people's feelings and sorrow. Ortega said that if Cruz is acting honestly and not carrying out a plan organized by Washington, he must tour the war zones to ascertain the crimes, destruction, and damage caused by the U.S. imperialist policy -- whose main tools are Pastora in the south and Calero in the north.

CHILEAN REGIME INCREASES REPRESSIVE MEASURES

PA261831 Havana International Service in Spanish 1600 GMT 26 Jul 84

[Text] Chilean policemen are intensively patrolling the streets of Santiago, where the government expects protest demonstrations because of the regimes wave of repressive measures taken against the Chilean People's Democratic Movement. A similar atmosphere prevails at the Chilean capital's airport, where Osiel Nunez and Rene Largo, members of the Chilean Communist Party, have been since yesterday; they had been deported to Argentina but were rejected by that country's authorities.

Augusto Pincohet's regime has lately expelled four leaders of the Chilean People's Democratic Movement; they are demanding the right to return to the country yesterday. Former Communist Senator Luis Godoy also tried to return to the country yesterday. However, local authorities would not let him deplane and forced him to continue the flight to Colombia.

Further reports reveal that the military regime is studying the enforcement of new repressive measures to counter a new national protest drive, announced for 4-5 September, and a 24-hour strike whose date has not yet been established.

NEW INTERNATIONAL AIRPORT, HIGHWAY TO BE BUILT

FL261656 Havana Domestic Service in Spanish 1600 GMT 25 Jul 84

[Text] Construction on a new international airport will begin in October. The new international airport will be located between the cities of Varadero and Matanzas and by the end of the year, a highway between the two cities will also be under construction. This report was announced during a meeting of the Union of Caribbean Construction Enterprises which met to study projects to be built in Playa Azul [Varadero].

Esteban Lazo, alternate Central Committee member and first party secretary of Matanzas Province, and Levi Farah, minister without portfolio for foreign construction, presided over the meeting.

BLANCO DISCUSSES IMF SHADOW ACCORD AGREEMENT

FL261622 Santo Domingo LISTIN DIARIO in Spanish 21 Jul pp 1, 9

[By Mirtilio Feliz Pena]

[Excerpts] President Salvador Jorge Blanco last night described what the Shadow Accord encompassed and said that among other things, it would allow the reestablishing of U.S. Government aid programs. Jacques de Larosiere, director of the IMF, proposed the accord to the Dominican Government.

In a speech on the Dominican Republic's economic situation and policies at a dinner offered by the Dominican College of Economists at the Dominican Concord Hotel, Jorge Blanco said that the accord had come out of the inability to arrive at an agreement on a stand-by type of accord, because of the IMF's demands to increase electricity rates between 52 to 64 percent.

Jorge Blanco described the items within the accord, adding that they were still in a preliminary stage, but that they would encompass these items:

1. Reinstate U.S. Government aid, especially in reference to PL-480 and the (CCC) [expansion unknown] on importing priority foods. Reinstate funding from the Caribbean Basin Initiative and AID.

2. Reinstate multilateral agencies aid programs, especially the World Bank's.

3. Reinstate the country's accessibility to new bilateral and multilateral financing.

4. Obtain the IMF's backing so the country can renegotiate the full government foreign debt.

The president said that while the 6-month Shadow Accord was in effect, the Dominican Government would adopt the economic policies it considers necessary to continue gradually adjusting the economy, which includes increasing incentives to change traditional exports.

Jorge Blanco added that on the conclusions of the accord, and according to the results presented in 1985's economy, the government and the IMF would begin holding conversations to determine the necessity of concerting another type of agreement.

BRIEFS

NEW AMBASSADOR TO URUGUAY -- President Salvador Jorge Blanco yesterday designated Dr Jesus Maria Hernandez Sanchez as the Dominican Republic's ambassador to Uruguay and as observer to the Latin American Integration Association, headquartered in Uruguay. The President had also recently designated Dr Vinicio Cuello as the Foreign Secretariat's Under Secretary for Foreign Affairs. [Excerpts] [Santo Domingo LISTIN DIARIO in Spanish 10 Jul 84 p 4 FL]

JAMAICA

BAUXITE, ALUMINA PRODUCTION, SALES INCREASE

FL262112 Bridgetown CANA in English 1744 GMT 26 Jul 84

[Text] Kingston, Jamaica, July 26, CANA -- Jamaica's January to June bauxite production increased by 63 per cent against the corresponding 1983 period, but the agency that monitors the industry urged caution in interpreting the figures, saying they indicated no major upswing in the industry.

For example, Reynolds, which contributed significantly to the first half production, has since ended mining here, and some of the ore produced was for one-shot purchases.

According to the Jamaica Bauxite Institute (JBI), first half production was 5,313,425 tonnes, of which 2,957,085 tonnes were exported as ore. The remainder was refined into 950,388 tonnes of alumina.

The shipment of raw ore was up 223.5 per cent on the 1983 first half, but alumina production declined slightly, by just under one per cent.

Said the JBI: "The increases should be interpreted with extreme caution as they include once-and-for-all shipments: (a) to the U.S. Government stockpile...and (b) Reynolds Jamaica mines final shipment."

Jamaica shipped 692,075 tonnes of bauxite to the U.S. strategic mineral stockpile during the 1984 first half to complete a million tonnes purchase in 1983. This compared with 203,802 tonnes shipped during the first alf of 1983 under an earlier barter agreement involving 1.6 million tonnes of bauxite for the stockpile. During the first half of 1983, Reynolds made no shipments on their own, but in the first six months of 1984 they produced 945,444 tonnes of ore.

The January to June production figures also indicated the streamlining of a contract to sell seven million tonnes of bauxite to the Soviet Union over a seven-year period, and shipments to Moscow this first half amounted to 428,352 tonnes, against only 99,675 tonnes during the corresponding period in 1983.

With the continued softness of the industry, government involvement in the sale of the commodities, largely through bilateral arrangements, continues to be important to Jamaica, the figures show. Of crude bauxite shipments in the first half, over 1.1 million tonnes or 37.9 per cent, were through government contracts, as were 80,000 tones or 8.4 per cent of the alumina. Jamaica has projected production this year below the 10.5 million tonnes projected before Reynolds announced it was pulling out of the island, and apparently adverse development with the United States over its purchase of more ore for its mineral stockpile.

Last year, Prime Minister Edward Seaga announced that Washington would make another million-tonne buy this year, and just before he concluded a support agreement with the International Monetary Fund (IMF) Seaga again referred to the purchase. The IMF programme, he told parliament, was held up while a new barter committee in the U.S. formalised the arrangement for the purchase.

However, opposition groups here have said that the bauxite deal was rejected and that it could mean the loss of 10,000 public sector jobs -- instead of the 6,000 projected in the IMF agreement -- as earnings from the sale had been calculated in the revenues with which the fund and government had initially worked.

Despite opposition pressure, the government has not spoken directly about what, according to Seaga statements, would have amounted to an agreement in principle.

However, Mining Minister Hugh Hart told the GLEANER newspaper Wednesday that no further contracts had been negotiated with the U.S. General Services Administration (GSA), which makes the bauxite purchases. Added Hart: "We can't rely on the GSA forever. We have to go out and seek other markets."

The JBI said that Jamaica's reaching the 8.8 million tonne production target -- 17 per cent higher than last year -- will depend on the industrial relations climate and the state of the world aluminium market.

The 1.2 million tonne Alumina Partners Refinery, which is owned by Kaiser, Reynolds, and Anaconda, has been closed for several weeks because of a pay contract dispute with the National Workers Union (NWU), which represents bauxite workers.

The union is also still negotiating with most of the other companies.

The JBI pointed out, too, that weak demand for aluminum has led to a tumbling of prices on the metal exchanges, resulting in production cutbacks by several companies.

ST VINCENT AND THE GRENADINES

REPORTAGE ON 25 JULY NATIONAL ELECTIONS

80 Percent Turnout

FL261250 Bridgetown CANA in English 0432 GMT 26 Jul 84

[Text] Kingstown, St Vincent, July 26, CANA -- The New Democratic Party (NDP), led by ex-Premier James Mitchell, was putting in a determined bid to wrestle power from the St Vincent and the Grenadines Labour Party (SVLP), winning four seats and leading in three, provisional results from yesterday's general elections showed. There are 13 electoral districts.

Prime Minister Milton Cato retained his east St George seat for the SVLP polling a total of 2,093 votes, but NDP candidate, first timer Louis James, gave him a good run losing by 389 votes.

Home Affairs Minister Ken Browne was the other SVLP candidate to win a seat in the poll which saw the crushing defeat at the hands of NDP newcomers of SVLP deputy political leader Foreign Minister Hudson Tannis as well as Labour Minister Arthur Williams.

Electoral officials had feared heavy showers yesterday associated with a tropical depression in the eastern Caribbean would have caused a low turn-out, but results declared so far showed the opposite with the turn-out estimated as high as over 80 per cent, and in most cases bettering the figure in the last general election in 1979.

NDP leader James Mitchell had an unassailable lead over the SVLP's Richard Maloney in his Grenadines constituency with the majority of boxes aready counted.

Opposition leader and Progressive Democratic Party (PDP) leader Randolph Russell was another noted casualty finishing a distant fourth in the east Kingstown constituency won by NDP newcomer Eddie Griffith who polled 1,889 votes. The two left-wing political parties, the Movement for National Unity (MNU) and the United People's Movement (UPM) performed poorly. The SVLP is seeking an unprecedented third consecutive team in office.

Tannis Loses Bid

FL261133 Bridgetown CANA in English 0303 GMT 26 Jul 84

[Text] Kingstown, St Vincent, July 25, CANA -- Foreign Minister Hudson Tannis was the first major casualty of today's general elections losing to a newcomer of the New Democratic Party (NDP) which was making a strong bid to oust the ruling St Vincent Labour Party (SVLP).

By 2230 hrs, the NDP had won three of the five seats and was leading in at least four others. There are 13 electoral districts.

Also losing his seat was opposition leader at the dissolution of Parliament Randolph Russell of the Progressive Democratic Party (PDP) who was a distant fourth in the east Kingstown constituency. Eddie Griffith of the NDP won that constituency with 1,889 votes with Labour's Burns Bonadie trailing on 1,057. Tannis, the number two man in the SVLP government, lost the seat he has held since 1967. He was comfortably beaten by businessman John Horne who won by [words indistinct]. Labour backbencher Offord Morris also lost to another NDP newcomer, Allan Cruickshank, who polled 1,657 votes. Morris gained 897 votes.

Prime Minister Milton Cato retained his east St George constituency though with a reduced majority, securing 2,093 votes to the 1,704 gained by Louis Jones of the NDP. Minister of Home Affairs Ken Browne retained his Marriagua seat. Leader of the NDP James Mitchell, a former premier, was leading confortably in the Grenadine's constituency.

NDP Gains Assembly Majority

FL261120 Bridgetown CANA in English 0540 GMT 26 Jul 84

[Text] Kingstown, St Vincent, July 26, CANA -- James Mitchell's New Democratic Party (NDP) today won power following general elections in St Vincent and the Grenadines yesterday, provisional results showed. The NDP has captured six of the eight seats declared so far and had an unassailable lead in another, giving it a majority in the 13-seat House of Assembly over the St Vincent and the Grenadines Labour Party (SVLP) of outgoing Prime Minister Milton Cato. Cato himself retained his east St George seat and with one box to come in the 52-year-old Mitchell had an unbeatable lead in his Grenadines constituency.

At least three ministers in the last government lost their seats, Hudson Tannis (foreign affairs), St Clair Dacon (education), and Arthur Williams (labour).

Mitchell, in a brief speech acknowledged victory and declared tomorrow a public holiday to mark the occasion. He said he would address a rally in Kingstown tomorrow. "I wish to thank people of St Vincent and the Grenadines for seeing the light and supporting the New Democratic Party," declared Mitchell, who was premier here 1972-74.

Of the other four seats to be declared, the NDP is leading in two and the SVLP in the others. Five parties contested the poll, the second since St Vincent and the Grenadines attained political independence in 1979.

The two leftist parties, the United People's Movement (UPM) headed by social worker Oscar Allen, and lawyer Ralph Gonsalves Movement for National Unity (MNU) both performed poorly. Opposition leader and head of the Progressive Democratic Party (PDP) Randolph Russell lost to NDP newcomer Eddie Griffith.

Final Results Reported

FL261220 Bridgetown CANA in English 0552 GMT 26 Jul 84

[Text] Kingstown, St Vincent, July 25, CANA -- Results in today's general elections here: Parties -- the St Vincent Labour Party (SVLP), the New Democratic Party (NDP), the United People's Movement (UPM), the Movement for National Unity (MNU), and the Progressive Democratic Party (PDP).

Constitutency -- Marriaqua

Ken Browne (SVLP)	1,870
Oswald George (NDP)	1,197
Albert Maloney (UPM)	76

South Central Windward

Allan Cruickshank (NDP)	1,651
Offord Morris (SVLP)	897
Oscar Allen (UPM)	347

In the second provisional result, Allan Cruickshank a former primary school head-teacher, won the first seat for NDP. In the south central Windward constitutency, he beat the Labour Party's Offord Morris, who had held the seat at the dissolution of Parliament.

Cruickshank polled 1,651 votes to Morris 897. Leader of the UPM social worker Oscar Allen received 347 votes.

East Kingstown

Eddie Griffith (NDP)	1,889
Burns Bonadie (SVLP)	1,057
Mike Browne (UPM)	161
Randolph Russell (PDP)	105
Cecil Williams (MNU)	22

West Kingstown

John Horne (NDP)	1,861
Hudson Tannis (SVLP)	1,222
Glenroy Browne (UPM)	77
Theodore Thomas (PDP)	18
Clove Bishop (MNU)	6

In east Kingstown Eddie Griffith (1,889 votes) of the NDP won from Burns Bonadie (1,057) votes) of the SVLP to record the second win for his party. The last opposition leader Randolph Russell, leader of the Progressive Democratic Party was beaten into fourth position.

East St George

Milton Cato (SVLP)	2,093
Louis Jones (NDP)	1,704

West St George

Marcus Defreitas (NDP)	2,525
Arthur Williams (SVLP)	1,402
Adrian Saunders (UPM)	82
Wilfred Talbert (PDP)	23

Central Leeward

Herbert Young (NDP)	1,538
Valcina Greaves-Ash (SVLP)	1,413

South Windward

Burton Williams (NDP)	1,397
St Clair Dacon (SVLP)	1,337
Cecil Ryan (UPM)	55

South Leeward

Jeremiah Scott (NDP)	2,010
Grafton Isaacs (SVLP)	1,382
Nelcia Robinson (UPM)	458

Victory Rally To Be Held

FL261829 Bridgetown CANA in English 1747 GMT 26 Jul 84

[Text] Kingstown, St Vincent, July 26, CANA -- The New Democratic Party (NDP) today geared for a big political rally to climax celebrations of yesterday's election victory that pushed a 53-year-old agronomist, James Mitchell, back into the seat of power after a 10-year absence.

Mitchell, who lives on the island of Bequia, 10 miles south of here, was expected here by boat to attend the rally in the city.

Mitchell's party defeated Prime Minister Milton Cato's St. Vincent Labour Party (SVLP) in yesterday's election, taking, according to preliminary results, nine of the 13 seats at stake.

Cato won a seat. Some of his key ministers, including Deputy Prime Minister Hudson Tannis, were casualties as the party's parliamentary numerical strength dropped from 10 to four.

Election officials have resumed the counting of ballots, suspended early this morning after the NDP's victory.

Cato called the general election eight months early, counting on what he termed his government's outstanding record of achievement to give the party an unprecedented third consecutive terms of office.

But Mitchell's relatively young party easily unseated the SVLP. Mitchell formed the centrist party in 1975, a year after his two-year stint as premier had ended.